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PRESS RELEASE
FOR IMMEDIATE RELEASE

HÉROUX-DEVTEK REPORTS SOLID FISCAL 2016 SECOND QUARTER RESULTS

- **Sales of $94.5 million, representing an increase of 12.4% from a year earlier**
- **46.4% increase in adjusted[1] EBITDA to $14.6 million, or 15.5% of sales, versus 11.9% of sales a year ago**
- **Adjusted[2] net income of $6.0 million, or $0.17 per diluted share, compared with $3.8 million, or $0.11 per diluted share, last year**
- **Award of two important long-term contracts during the quarter**

Longueuil, Québec, November 9, 2015 — Héroux-Devtek Inc. (TSX: HRX), ("Héroux-Devtek" or the "Corporation"), a leading international manufacturer of aerospace products, today reported its results for the second quarter of fiscal 2016 ended September 30, 2015. Unless otherwise indicated, all amounts are in Canadian dollars.

"Héroux-Devtek achieved solid results in the second quarter, a period that is usually seasonally weaker due to plant shutdowns and summer vacations. This performance was driven by our increased reach in the commercial aerospace market, both in component production for large aircraft and in aftermarket products and services, as well as by the production ramp-up of certain business jet programs for which we designed the landing gear. This higher volume and a more favourable product mix led to a strong operating profitability improvement," said Gilles Labbé, President and CEO of Héroux-Devtek.

"During the quarter, Héroux-Devtek was awarded two important contracts that underline its commitment to its growth platforms. We obtained a life-cycle mandate from Finmeccanica-AgustaWestland to design, develop and fabricate complete landing gear systems for the AW609 TiltRotor aircraft, which demonstrates industry confidence in our world-class capabilities to provide value-added, turnkey solutions. In addition, our scope on the B-777 and B-777X programs was further expanded through a new contract to manufacture retract actuator assemblies beginning in early calendar 2017, which should coincide with the delivery of our first complete landing gear system for the aircraft. Finally, in regards to this long-term contract, we continue to progress with respect to the main initiatives of our capital investment plan," added Mr. Labbé.

FINANCIAL HIGHLIGHTS	**Quarters ended Sept. 30,**		**Six months ended Sept. 30,**	
(in thousands of dollars, except per share data)	**2015**	**2014**	**2015**	**2014**
Sales	**94,518**	84,086	**192,755**	170,494
Adjusted[1] EBITDA	**14,607**	9,978	**27,691**	20,338
Adjusted[2] net income	**6,030**	3,839	**11,549**	7,595
Per share – diluted ($)	**0.17**	0.11	**0.32**	0.22
Net income	**6,030**	3,273	**10,540**	6,773
Per share – diluted ($)	**0.17**	0.09	**0.29**	0.20
Weighted-average shares outstanding (diluted, in '000s)	**36,095**	36,022	**36,083**	33,986

[1] Excluding non-recurring charges.
[2] Excluding non-recurring charges, net of taxes.

SECOND QUARTER RESULTS
Consolidated sales reached $94.5 million, compared with $84.1 million in the second quarter of fiscal 2015. This 12.4% increase reflects the strength of the commercial aerospace market, while year-over-year fluctuations in the value of the Canadian currency versus the U.S. currency increased second-quarter sales by $11.4 million.

Commercial sales were $50.0 million, up 33.2% from $37.5 million last year. This increase was driven by greater content and higher production rates for certain large commercial programs, mainly the B-787 aircraft, higher sales of landing gear systems designed by Héroux-Devtek for business jets due to production ramp-up of the Embraer Legacy 450/500 program and initial deliveries for the Dassault Falcon 5X program, as well as higher aftermarket sales related to a new strategic alliance to support the Saab 340 program. Year-over-year currency fluctuations had a $6.0 million favourable effect on commercial sales.

Defence sales decreased 4.3% to $44.6 million. The variation reflects a reduction in manufacturing sales to civil customers, lower spare part requirements, mainly from the U.S. government, lower requirements by the U.S. Navy for repair and overhaul (R&O) services on the P-3 program, as well as a lower throughput in the U.K. These factors were partially offset by a $5.4 million favourable foreign exchange impact and higher R&O sales to the U.S. Air Force.

Gross profit reached $17.5 million, or 18.5% of sales, compared with $13.1 million, or 15.6% of sales, last year. The increase reflects favourable year-over-year currency fluctuations equivalent to 2.4% of sales and a better product mix driven by higher commercial aftermarket sales. Adjusted EBITDA stood at $14.6 million, or 15.5% of sales, versus $10.0 million, or 11.9% of sales, a year ago. Last year's adjusted EBITDA excluded restructuring charges of $0.8 million.

Adjusted net income was $6.0 million, or $0.17 per diluted share, in the second quarter of fiscal 2016, up from $3.8 million, or $0.11 per diluted share, in the second quarter of fiscal 2015, excluding restructuring charges of $0.6 million, net of taxes.

SIX-MONTH RESULTS
For the first six months of fiscal 2016, consolidated sales totalled $192.8 million, versus $170.5 million in the first six months of fiscal 2015. Year-over-year fluctuations in the value of the Canadian currency versus the U.S. currency increased sales by $19.3 million. Commercial sales rose 25.5% to $101.4 million, while sales of defence products increased 1.9% to $91.3 million.

Gross profit for the first half of fiscal 2016 amounted to $34.1 million, equivalent to 17.7% of sales, compared with $27.3 million, or 16.0% of sales, in the first half of fiscal 2015. Adjusted EBITDA reached $27.7 million, representing 14.4% of sales, up from $20.3 million, or 11.9% of sales, in the previous year. Finally, adjusted net income was $11.5 million, or $0.32 per diluted share, versus $7.6 million, or $0.22 per share, last year.

FINANCIAL POSITION
As at September 30, 2015, Héroux-Devtek's balance sheet remained healthy with cash and cash equivalents of $4.2 million, while total long-term debt was $133.9 million, including the current portion, but excluding net deferred financing costs. Long-term debt includes $72.2 million drawn against the Corporation's authorized Credit Facility of $200.0 million. As a result, the Corporation's net debt position stood at $129.7 million as at September 30, 2015, while the net-debt-to equity ratio was 0.41:1, up from 0.38:1 three months earlier. This increase mainly reflects the Corporation's investments in property, plant and equipment, as well as in working capital, related to the B-777 and B-777X contract.

UPDATE ON THE B-777 AND B-777X CONTRACT
Héroux-Devtek is making further progress towards meeting the requirements of the long-term contract to supply The Boeing Company ("Boeing") with complete landing gear systems for the B-777 and B-777X aircraft. In regards to the plan's main initiatives:

- The new Cambridge, Ontario plant is operational;
- Essentially all machinery and equipment has been installed in the Cambridge, Ontario; Springfield, Ohio; and Laval, Québec facilities, and is in varying stages of testing and approval;
- All components necessary for the delivery of complete landing gear assemblies are in production;
- The expansion of the Corporation's finishing and sub-assembly centre in Strongsville, Ohio, is completed. The new plating equipment is ready for production and Héroux-Devtek is in its Customer qualification and approval process; and,

- The final assembly facility in Everett, Washington has been completed ahead of schedule and is available for the installation of equipment.

Management remains confident that delivery of the pre-production shipset to Boeing will occur as planned in mid-calendar 2016 and that production requirements associated to deliveries scheduled to begin in early calendar 2017 will be met. As at September 30, 2015, the Corporation had invested approximately $101 million related to this contract.

OUTLOOK

Conditions remain favourable in the commercial aerospace market. In the large commercial aircraft segment, manufacturers are proceeding with production rate increases on several leading programs scheduled through calendar 2018 and with the introduction of more fuel efficient variants of existing aircraft over the next several years. Their backlogs remain strong, representing more than eight years of production at current rates. In the business jet market, the production ramp-up of business jet models for which Héroux-Devtek has designed the landing gear should provide sustained growth for the Corporation for several years. In the defence aerospace market, a recent budget agreement provides additional funding for the U.S. Government's next two fiscal years, but uncertainty remains beyond that period given the need to address the deficit. The Corporation's UK operations provide Héroux-Devtek with a more geographically diversified defence portfolio, which reduces its relative exposure to the U.S. market. The balance between new component manufacturing and aftermarket products and services in the Corporation's defence portfolio and its leading program content also promote stability.

As at September 30, 2015, Héroux-Devtek's funded (firm orders) backlog stood at $427 million, versus $444 million three months earlier.

"Given first half results and forces driving our main markets, we continue to expect an organic sales growth of approximately 10% for the entire fiscal year, with commercial sales growing in excess of 10% and defence sales experiencing a slight increase. More importantly, Héroux-Devtek remains committed to the execution of its strategic plan in order to reach its long-term objectives and create lasting value for shareholders. Recent long-term contract awards demonstrate our growing reach in the global landing gear market and validate our focus on the main growth platforms that will provide Héroux-Devtek with a solid and sustainable foundation to capture additional business opportunities," concluded Mr. Labbé.

CONFERENCE CALL

Héroux-Devtek Inc. will hold a conference call to discuss these results on Monday, November 9, 2015 at 5:00 PM Eastern Time. Interested parties can join the call by dialling 1-877-223-4471 (North America) or 1-647-788-4922 (overseas). The conference call can also be accessed via live webcast at Héroux-Devtek's website, www.herouxdevtek.com/investor-relations/events or www.gowebcasting.com/7027.

If you are unable to call in at this time, you may access a tape recording of the meeting by calling 1-800-585-8367 and entering the passcode 59578573 on your phone. This tape recording will be available on Monday, November 9, 2015 as of 8:00 PM Eastern Time until 11:59 PM Eastern Time on Monday, November 16, 2015.

PROFILE

Héroux-Devtek Inc. (TSX: HRX) is an international company specializing in the design, development, manufacture and repair and overhaul of landing gear and actuation systems and components for the Aerospace market. The Corporation is the third largest landing gear company worldwide, supplying both the commercial and defence sectors of the Aerospace market with new landing gear systems and components, as well as aftermarket products and services. The Corporation also manufactures hydraulic systems, fluid filtration systems and electronic enclosures. Approximately 75% of the Corporation's sales are outside Canada, including about 50% in the United States. The Corporation's head office is located in Longueuil, Québec with facilities in the Greater Montreal area (Longueuil, Laval and St-Hubert); Kitchener, Cambridge and Toronto, Ontario; Springfield and Strongsville, Ohio; Wichita, Kansas; Everett, Washington; and Runcorn, Nottingham and Bolton, United Kingdom.

FORWARD-LOOKING STATEMENTS

Except for historical information provided herein, this press release may contain information and statements of a forward-looking nature concerning the future performance of the Corporation. These statements are based on suppositions and uncertainties as well as on management's best possible evaluation of future events. Such factors may include, without excluding other considerations, fluctuations in quarterly results, evolution in customer demand for the Corporation's products and services, the impact of price pressures exerted by competitors, and general market trends or economic changes. As a result, readers are advised that actual results may differ from expected results.

NON-IFRS MEASURES

Earnings before interest, taxes, depreciation and amortization ("EBITDA"), adjusted EBITDA, adjusted net income and adjusted earnings per share are financial measures not prescribed by International Financial Reporting Standards ("IFRS") and are not likely to be comparable to similar measures presented by other issuers. Management considers these to be useful information to assist investors in evaluating the Corporation's profitability, liquidity and ability to generate funds to finance its operations.

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Note to readers: Complete unaudited interim condensed consolidated financial statements and Management's Discussion & Analysis are available on Héroux-Devtek's website at www.herouxdevtek.com.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the quarter ended September 30, 2015

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Notice of Disclosure of Non-Auditor Review of Interim Condensed Consolidated Financial Statements for the quarters ended September 30, 2015 and 2014.

Pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if the external auditors have not performed a review of the financial statements, the financial statements must be accompanied by a notice indicating that they have not been reviewed by the external auditors.

The accompanying unaudited interim condensed consolidated financial statements of the Corporation for the quarters ended September 30, 2015 and 2014 have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting,* and are the responsibility of the Corporation's management.

The Corporation's external auditors, Ernst & Young LLP, have not performed a review of these interim condensed consolidated financial statements in accordance with the standards established by Chartered Professional Accountants Canada for a review of financial statements by the external auditors of an entity.

November 9, 2015.

CONSOLIDATED BALANCE SHEETS
(In thousands of Canadian dollars) (Unaudited)

As at	Notes	September 30, 2015	March 31, 2015
Assets	10		
Current assets			
Cash and cash equivalents		**$ 4,243**	$ 35,098
Accounts receivable		**66,406**	71,511
Income tax receivable		**6,288**	3,771
Inventories		**139,846**	130,954
Derivative financial instruments	8	**1,955**	283
Other current assets	9	**10,502**	14,326
		229,240	255,943
Property, plant and equipment, net	3	**162,733**	142,112
Finite-life intangible assets, net	3	**52,333**	50,557
Deposits on machinery and equipment	3, 14	**33,425**	23,306
Derivative financial instruments	8	**14**	4
Deferred income tax assets		**10,447**	10,004
Goodwill		**99,246**	93,527
Total assets		**$ 587,438**	$ 575,453
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities		**$ 58,898**	$ 69,182
Accounts payable - other and other liabilities		**3,669**	8,196
Provisions	6	**18,753**	26,241
Customer advances		**9,291**	18,326
Progress billings		**5,549**	6,405
Income tax payable		**167**	220
Derivative financial instruments	8	**14,386**	11,685
Current portion of long-term debt	10	**5,417**	5,972
		116,130	146,227
Long-term debt	10	**127,383**	106,955
Provisions		**5,857**	5,967
Progress billings		**170**	347
Derivative financial instruments	8	**4,830**	5,527
Deferred income tax liabilities		**3,917**	3,331
Other liabilities		**11,885**	13,644
		270,172	281,998
Shareholders' equity			
Issued capital	11	**75,586**	75,304
Contributed surplus	11	**2,886**	2,403
Accumulated other comprehensive income	12	**20,554**	9,056
Retained earnings		**218,240**	206,692
		317,266	293,455
		$ 587,438	$ 575,453

Commitments (note 14)

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME
(In thousands of Canadian dollars, except per share data) (Unaudited)

		Quarters ended September 30,		Six months ended September 30,	
	Notes	**2015**	2014	**2015**	2014
Sales		**$ 94,518**	$ 84,086	**$ 192,755**	$ 170,494
Cost of sales	**3, 4**	**76,997**	70,999	**158,676**	143,226
Gross profit		**17,521**	13,087	**34,079**	27,268
Selling and administrative expenses	**3, 4**	**8,837**	7,350	**17,944**	15,288
Non-recurring charges	**6**	**—**	763	**1,480**	1,114
Operating income		**8,684**	4,974	**14,655**	10,866
Financial expenses	**5**	**1,501**	1,270	**2,533**	2,974
Income before income tax expense		**7,183**	3,704	**12,122**	7,892
Income tax expense		**1,153**	431	**1,582**	1,119
Net income		**$ 6,030**	$ 3,273	**$ 10,540**	$ 6,773
Earnings per share – basic and diluted	**7**	**$ 0.17**	$ 0.09	**$ 0.29**	$ 0.20

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands of Canadian dollars) (Unaudited)

	Notes	Quarters ended September 30, 2015	Quarters ended September 30, 2014	Six months ended September 30, 2015	Six months ended September 30, 2014
	12				
Other comprehensive income:					
Items that may be reclassified to net income					
Gains (losses) arising from translating the financial statements of foreign operations		$ **9,927**	$ 2,495	$ **15,494**	$ (1,009)
Cash flow hedges:					
Net gains (losses) on valuation of derivative financial instruments		**(6,440)**	(4,893)	**(2,057)**	514
Net losses on derivative financial instruments transferred to net income		**1,085**	461	**754**	94
Deferred income taxes		**1,429**	1,182	**349**	(163)
		(3,926)	(3,250)	**(954)**	445
Gains (losses) on hedge of net investments in foreign operations		**(3,591)**	(1,696)	**(3,333)**	1,540
Deferred income taxes		**366**	215	**291**	(361)
		(3,225)	(1,481)	**(3,042)**	1,179
Items that are never reclassified to net income					
Defined benefit pension plans:					
Gains (losses) from remeasurement		**547**	(2,573)	**1,375**	(2,071)
Deferred income taxes		**(146)**	687	**(367)**	553
		401	(1,886)	**1,008**	(1,518)
Other comprehensive income (loss)		$ **3,177**	$ (4,122)	$ **12,506**	$ (903)
Comprehensive income (loss)					
Net income		$ **6,030**	$ 3,273	$ **10,540**	$ 6,773
Other comprehensive income (loss)		**3,177**	(4,122)	**12,506**	(903)
Comprehensive income (loss)		$ **9,207**	$ (849)	$ **23,046**	$ 5,870

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(In thousands of Canadian dollars) (Unaudited)

	Notes	Issued capital	Contributed surplus	Accumulated other comprehensive income	Retained earnings	Shareholders' equity
Balance as at March 31, 2015		**$ 75,304**	**$ 2,403**	**$ 9,056**	**$ 206,692**	**$ 293,455**
Common shares:						
Issued under the Stock purchase and ownership incentive plan	**11**	255	—	—	—	255
Issued under the Stock option plan	**11**	27	(22)	—	—	5
Stock-based compensation expense	**11**	—	505	—	—	505
Net income		—	—	—	10,540	10,540
Other comprehensive income		—	—	11,498	1,008	12,506
Balance as at September 30, 2015		**$ 75,586**	**$ 2,886**	**$ 20,554**	**$ 218,240**	**$ 317,266**

	Notes	Issued capital	Contributed surplus	Accumulated other comprehensive income	Retained earnings	Shareholders' equity
Balance as at March 31, 2014		**$ 26,187**	**$ 1,247**	**$ 6,768**	**$ 205,937**	**$ 240,139**
Common shares:						
Issued pursuant to the public offering and concurrent private placements	**11**	48,428	—	—	—	48,428
Issued under the Stock purchase and ownership incentive plan		169	—	—	—	169
Issued under the Stock option plan		320	(136)	—	—	184
Stock-based compensation expense	**11**	—	646	—	—	646
Net income		—	—	—	6,773	6,773
Other comprehensive income (loss)		—	—	615	(1,518)	(903)
Balance as at September 30, 2014		**$ 75,104**	**$ 1,757**	**$ 7,383**	**$ 211,192**	**$ 295,436**

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands of Canadian dollars) (Unaudited)

	Notes	Quarters ended September 30, 2015	Quarters ended September 30, 2014	Six months ended September 30, 2015	Six months ended September 30, 2014
Cash and cash equivalents provided by (used for):					
Operating activities					
Net income		**$ 6,030**	$ 3,273	**$ 10,540**	$ 6,773
Items not requiring an outlay of cash:					
Amortization expense	4	**5,923**	4,241	**11,556**	8,358
Deferred income taxes		**(54)**	(822)	**417**	(962)
Gain on sale of property, plant and equipment		**(116)**	(67)	**(116)**	(82)
Non-cash financial expenses	5	**900**	843	**1,480**	1,549
Stock-based compensation expense	11	**256**	336	**505**	646
Cash flows from operations		**12,939**	7,804	**24,382**	16,282
Net change in non-cash items related to continuing operations	13	**(9,648)**	8,138	**(28,798)**	6,715
Cash flows related to operating activities from continuing operations		**3,291**	15,942	**(4,416)**	22,997
Cash flows related to operating activities from discontinued operations		**—**	(600)	**—**	(1,082)
Cash flows related to operating activities		**3,291**	15,342	**(4,416)**	21,915
Investing activities					
Additions to property, plant and equipment		**(7,146)**	(5,156)	**(23,032)**	(14,335)
Deposits on machinery and equipment		**(3,602)**	(4,492)	**(10,119)**	(5,169)
Net increase in finite-life intangible assets		**(2,125)**	(1,366)	**(3,515)**	(1,414)
Proceeds on disposal of property, plant and equipment		**201**	223	**201**	430
Cash flows related to investing activities		**(12,672)**	(10,791)	**(36,465)**	(20,488)
Financing activities					
Increase in long-term debt		**528**	1,316	**14,178**	19,936
Repayment of long-term debt		**(2,547)**	(479)	**(5,081)**	(66,311)
Issuance of common shares	11	**144**	250	**260**	48,206
Cash flows related to financing activities		**(1,875)**	1,087	**9,357**	1,831
Effect of changes in exchange rates on cash and cash equivalents		**695**	1,812	**669**	337
Change in cash and cash equivalents during the periods		**(10,561)**	7,450	**(30,855)**	3,595
Cash and cash equivalents at beginning of periods		**14,804**	43,492	**35,098**	47,347
Cash and cash equivalents at end of periods		**$ 4,243**	$ 50,942	**$ 4,243**	$ 50,942
Interest and income taxes reflected in operating activities:					
Interest paid		**$ 606**	$ 486	**$ 1,073**	$ 1,517
Interest received		**$ 5**	$ 59	**$ 20**	$ 92
Income taxes paid for continuing operations		**$ 1,632**	$ 1,695	**$ 3,596**	$ 2,557
Income taxes paid for discontinued operations		**$ —**	$ 25	**$ —**	$ 507

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

(In thousands of Canadian dollars, except per share data) (Unaudited)

Note 1. Nature of activities and corporate information

Héroux-Devtek Inc. is incorporated under the laws of Québec. Its head office is domiciled at Complexe St-Charles, 1111 St-Charles Street West, suite 658, East Tower, Longueuil (Québec), Canada. Héroux-Devtek Inc. and its subsidiaries (the "Corporation") specialize in the design, development, manufacture, repair and overhaul of aircraft landing gear, hydraulic flight control actuators and fracture-critical components. It also includes the manufacture of electronic enclosures, heat exchangers and cabinets for airborne radar, electro-optic systems and aircraft controls through its Magtron operations as well as fluid filters products through its Bolton operations.

The Corporation only operates in one reporting segment, which is the Aerospace segment.

Note 2. Basis of preparation

The interim condensed consolidated financial statements for the quarter ended September 30, 2015 were prepared in accordance with IAS 34, *Interim Financial Reporting,* therefore certain information and disclosures have been omitted or condensed. The same accounting policies and methods of computation were followed in the preparation of these interim condensed consolidated financial statements as were followed in the preparation of the most recent annual audited consolidated financial statements. Accordingly, these interim condensed consolidated financial statements should be read together with the annual audited consolidated financial statements and notes thereto included in the Corporation's Annual Report for the fiscal year ended March 31, 2015.

These interim condensed consolidated financial statements were approved for issue by the Board of Directors of the Corporation on November 9, 2015.

Note 3. Government assistance

During the quarters and six-month periods ended September 30, government assistance deducted from the cost of the related assets or recognized as a reduction of expenses, was as follows:

	Quarters ended September 30,		**Six months ended September 30,**	
	2015	2014	**2015**	2014
Finite-life intangible assets	**$ 197**	$ 642	**$ 270**	$ 738
Property, plant and equipment	**901**	180	**901**	289
Deposits on machinery and equipment	**—**	1,221	**56**	1,221
Cost of sales and, selling and administrative expenses	**$ 497**	$ 1,062	**$ 816**	$ 1,575

The government assistance includes mainly the research and development tax credits, other credits and grants.

Note 4. Cost of sales, selling and administrative expenses

The main components of these expenses for the quarters and six-month periods ended September 30, are as follows:

	Quarters ended September 30,		Six months ended September 30,	
	2015	2014	**2015**	**2014**
Raw materials and purchased parts	**$ 29,524**	$ 32,218	**$ 62,484**	$ 62,770
Employee costs	**32,443**	28,863	**66,125**	59,430
Amortization of property, plant and equipment and finite-life intangible assets	**5,923**	4,241	**11,556**	8,358
Others	**17,944**	13,027	**36,455**	27,956
	$ 85,834	$ 78,349	**$ 176,620**	$ 158,514

Foreign exchange gains or losses resulting from the translation of net monetary items denominated in foreign currencies are included in the Corporation's selling and administrative expenses. During the quarter ended September 30, 2015, the foreign exchange gain included in the Corporation's selling and administrative expenses amounted to $210 ($518 in 2014), compared to a loss of $386 for the six-month period ended September 30, 2015 (gain of $97 in 2014).

Note 5. Financial expenses

Financial expenses for the quarters and six-month periods ended September 30, comprise the following:

	Quarters ended September 30,		Six months ended September 30,	
	2015	2014	**2015**	**2014**
Interest accretion on governmental authorities loans	**$ 642**	$ 596	**$ 1,286**	$ 1,169
Interest on net defined benefit obligations	**77**	56	**153**	117
Amortization of deferred financing costs (note 10)	**69**	76	**148**	155
Other interest accretion expense and discount rate adjustments	**112**	115	**(107)**	108
Non-cash financial expenses	**900**	843	**1,480**	1,549
Interest expense	**528**	391	**924**	1,316
Standby fees	**78**	95	**149**	201
Interest income on cash and cash equivalents	**(5)**	(59)	**(20)**	(92)
	$ 1,501	$ 1,270	**$ 2,533**	$ 2,974

Note 6. Non-recurring charges

Non-recurring charges for the quarters and six-month periods ended September 30, comprise the following:

	Quarters ended September 30,		Six months ended September 30,	
	2015	2014	**2015**	2014
Settlement of a litigation	**$ —**	$ —	**$ 1,480**	$ —
Restructuring charges	**—**	763	**—**	1,114
	$ —	$ 763	**$ 1,480**	$ 1,114

Settlement of a litigation

On February 5, 2014, Goodrich Corporation, member of UTC Aerospace Systems (« UTAS ») group, filed a request for arbitration against the Corporation to the ICC International Court of Arbitration based on alleged violation of a non-compete covenant contained in an agreement between Goodrich Corporation and Devtek Aerospace Inc., wholly-owned subsidiary of the Corporation, relating to manufacturing the pistons.

On May 29, 2015, the Corporation concluded a final settlement with UTAS in regards to a litigation following the execution of a Memorandum of Settlement on May 27, 2015. The final agreement includes the extension of two existing contracts with UTAS for the supply of various aircraft parts, and was accounted for in fiscal 2015. The Corporation incurred related legal fees of $1,480 during the six-month period ended September 30, 2015. As at September 30, 2015, an amount of $1,828 remained in the short-term provision ($10,133 as at March 31, 2015) in regards to the litigation settlement.

Restructuring charges

On January 16, 2014, given the substantial reduction in demand for aftermarket defence products from the U.S. government, the Corporation announced a plan to optimize and consolidate manufacturing capacity while further enhancing productivity throughout the organization. These initiatives were in line with the Corporation's operating strategy of focusing on specialized centers of excellence. Furthermore, following the acquisition of APPH in February 2014, the Corporation incurred restructuring charges related to the integration of APPH's operations, personnel and technology with its pre-acquisition operations. These initiatives were substantially completed as at March 31, 2015.

For the quarter and six-month period ended September 30, 2014, the Corporation recorded restructuring charges of $763 and $1,114, respectively, including termination benefits of $597 and $801 and other associated costs of $166 and $313, related to the optimization and consolidation of manufacturing capacity.

Note 7. Earnings per share

The following table sets forth the elements used to compute basic and diluted earnings per share for quarters and six-month periods ended September 30,:

	Quarters ended September 30,		**Six months ended September 30,**	
	2015	2014	**2015**	2014
Weighted-average number of common shares outstanding	**35,970,563**	35,908,258	**35,963,573**	33,871,207
Effect of dilutive stock options of the Corporation	**124,806**	114,116	**119,350**	115,012
Weighted-average number of common diluted shares outstanding	**36,095,369**	36,022,374	**36,082,923**	33,986,219
Options excluded from diluted earnings per share calculation(1)	**502,500**	568,845	**598,845**	568,845

(1) Excluded due to anti-dilutive impact

Note 8. Derivative financial instruments

Forward foreign exchange contracts

As at September 30, 2015, the Corporation had forward foreign exchange contracts to sell US$113.5 million at a weighted-average rate of 1.1734 (Canadian dollar over U.S. dollar, “cad/usd”). As at March 31, 2015, these contracts totalled US$119.0 million at a weighted-average rate of 1.1297 cad/usd. As at September 30, 2015, these contracts mature at various dates between October 2015 and April 2018, with the majority maturing this and next fiscal years.

Interest rate swap agreements

As at September 30, 2015 and March 31, 2015, the Corporation had entered into an interest-rate swap agreement for a total notional amount of US$10 million. The agreement fixed the Libor U.S. rate at 2.04%, maturing in December 2015. The Corporation had also entered into two additional interest-rate swap agreements for a total notional amount of US$15 million. These interest-rate swap agreements fixed the Libor U.S. rate at 1.65% for the first tranche of US$5 million commencing in March 2014, and at 2.38% for the second tranche of US$10 million commencing in December 2015, both until their maturity in December 2018.

The interest-rate swap rates mentioned above exclude the additional bank relevant margin (see note 10). The cash flows related to the interest-rate-swaps are expected to occur in the same periods as they are expected to affect net income.

Equity swap agreement

On June 22, 2015, the Corporation entered into an equity swap agreement with a financial institution to manage cash flow exposure and reduce its income exposure to fluctuations in its share price related to the deferred share unit ("DSU") and performance share unit ("PSU") plans.

Pursuant to this agreement, upon settlement, the Corporation receives payment for any share price appreciation while providing payment to the financial institution for any share price depreciation. The net effect of the equity swap partly offsets movements in the Corporation's share price which impact the value of the DSUs and PSUs included in the Corporation's selling and administrative expenses.

As at September 30, 2015, the equity swap agreement covered 150,000 common shares of the Corporation at a price of $11.45. This agreement is a derivative that is not part of a designated hedging relationship and matures in June 2016.

Note 9. Other current assets

	September 30, 2015	March 31, 2015
Investment and other tax credits receivable	**$ 3,033**	$ 5,099
Sales tax receivable	**2,489**	3,358
Prepaid expenses	**3,174**	3,757
Others	**1,806**	2,112
	$ 10,502	$ 14,326

Note 10. Long-term debt

	September 30, 2015	March 31, 2015
Senior Secured Syndicated Revolving Credit Facility (“Credit Facility“)	**$ 72,249**	$ 56,731
Governmental authority loans	**50,729**	51,172
Obligations under finance leases	**10,949**	6,299
Deferred financing costs, net	**(1,127)**	(1,275)
	132,800	112,927
Less: current portion	**5,417**	5,972
	$ 127,383	$ 106,955

Credit Facility
The relevant terms and drawings on the Credit Facility are as follows:

	September 30, 2015	March 31, 2015
Limit, in Canadian, US$, Euro or British Pound equivalent	**$ 200,000**	$ 200,000
US$ Drawings		
Amount	**US$ 42,000**	US$ 32,000
Rate	**Libor + 1.5%**	Libor + 1.1%
Effective rate	**1.8%**	1.3%
Canadian drawing		
Amount	**$ 16,200**	$ 16,200
Rate	**BA[1] + 1.5%**	BA + 1.1%
Effective rate	**2.3%**	2.2%

[1] BA: Banker's acceptance

Finance leases
Obligations under finance leases bear fixed interest rates between 2.4% and 6.5% as at September 30, 2015 and March 31, 2015, maturing from January 2016 to April 2022, with amortization periods ranging from five to seven years, secured by the related property, plant and equipment, net of interest of $939 ($518 as at March 31, 2015).

Note 11. Issued capital

For the quarter and six-month period ended September 30, 2015, variations in common shares issued were as follows:

	Quarter Ended September 30, 2015			Six months ended September 30, 2015		
	Number		Issued capital	Number		Issued capital
Common shares issued and fully paid						
Balance at beginning of periods	**35,962,098**	**$**	**75,420**	**35,949,445**	**$**	**75,304**
Issued for cash on exercise of stock options	**2,400**		**27**	**2,400**		**27**
Issued for cash under the stock purchase and ownership incentive plan	**13,648**		**139**	**26,301**		**255**
Balance at end of periods	**35,978,146**	**$**	**75,586**	**35,978,146**	**$**	**75,586**

During the six-month period ended September 30, 2014, the Corporation issued 4,307,676 common shares at a weighted-average price of $11.36 per share for a net consideration of $48,206, essentially pursuant to a public offering and concurrent private placements.

A. Stock option plan

The Corporation grants stock options at a subscription price representing the average closing price of the Corporation's common shares on the Toronto Stock Exchange for the five trading days preceding the grant date. Options granted under the plan vest over a period of four years, with the exception of certain key management employees for which the vesting period is one to three years following the grant date. The options are exercisable over a period no greater than seven years after the grant date.

For the quarters ended September 30, variances in stock options outstanding and related compensation expense were as follows:

	2015			2014		
	Number of stock options		Weighted-average exercise price	Number of stock options		Weighted-average exercise price
Balance at beginning of the quarters	**892,846**	**$**	**9.98**	686,001	$	9.39
Granted	**—**		**—**	66,345		11.31
Exercised	**(2,400)**		**2.02**	(35,000)		5.27
Balance at end of the quarters	**890,446**	**$**	**10.00**	717,346	$	9.77
Stock-based compensation expense		**$**	**256**		$	336

For the six-month periods ended September 30, variances in stock options outstanding and related compensation expense were as follows:

	2015			2014		
	Number of stock options		Weighted-average exercise price	Number of stock options		Weighted-average exercise price
Balance at beginning of periods	**747,346**	**$**	**9.84**	686,001	$	9.39
Granted	**145,500**		**10.71**	66,345		11.31
Exercised	**(2,400)**		**2.02**	(35,000)		5.27
Balance at end of periods	**890,446**	**$**	**10.00**	717,346	$	9.77
Stock-based compensation expense		**$**	**505**		$	646

As at September 30, 2015, 2,808,257 common shares are reserved for issuance of stock options, of which 1,637,381 remained to be issued, compared to 1,639,781 as at March 31, 2015.

B. Stock purchase and ownership incentive plan

	Quarters ended September 30,		Six months ended September 30,	
	2015	2014	**2015**	**2014**
In number of common shares				
Common shares issued under the purchase incentive plan	**13,648**	11,460	**26,301**	16,805
Common shares attributed to participating employees	**5,592**	3,550	**10,807**	6,947
Expense related to common shares attributed	**$ 63**	$ 39	**$ 116**	$ 78

As at September 30, 2015, 340,000 shares were reserved for issuance under the stock purchase and ownership incentive plan, of which 176,392 remained to be issued, compared to 202,693 as at March 31, 2015.

C. Deferred Share Unit ("DSU") and Performance Share Unit ("PSU") plans

Movements in outstanding DSUs and PSUs and related expenses were as follows:

	Quarters ended September 30,		Six months ended September 30,	
	2015	2014	**2015**	**2014**
DSUs				
In number of DSUs				
Opening balance of DSUs outstanding	**83,158**	64,825	**83,158**	64,825
DSUs issued during the period	**41,175**	18,333	**41,175**	18,333
Closing balance of DSUs	**124,333**	83,158	**124,333**	83,158
DSU expense for the period	**$ 343**	$ 64	**$ 455**	$ 85
PSUs				
In number of PSUs				
Opening balance of PSUs outstanding	**153,303**	—	**115,879**	—
PSUs issued during the period	**—**	115,879	**37,424**	115,879
Closing balance of PSUs outstanding	**153,303**	115,879	**153,303**	115,879
PSU expense for the period	**$ 214**	$ 383	**$ 378**	$ 383

The fair value of vested outstanding DSUs and PSUs was as follows, as at:

	September 30, 2015	March 31, 2015
Fair value of outstanding DSUs, end of period	**$ 1,256**	$ 801
Fair value of outstanding PSUs, end of period	**$ 1,330**	$ 952

Note 12. Accumulated other comprehensive income

Changes in accumulated other comprehensive income were as follows:

	Exchange differences on translation of foreign operations	Cash flow hedges	Hedge of net investments in foreign operations	Total
Balance as at June 30, 2015	**$ 30,788**	**$ (8,625)**	**$ (4,385)**	**$ 17,778**
Other comprehensive income (loss)	9,927	(3,926)	(3,225)	2,776
Balance as at September 30, 2015	**$ 40,715**	**$ (12,551)**	**$ (7,610)**	**$ 20,554**
Balance as at March 31, 2015	**$ 25,221**	**$ (11,597)**	**$ (4,568)**	**$ 9,056**
Other comprehensive income (loss)	15,494	(954)	(3,042)	11,498
Balance as at September 30, 2015	**$ 40,715**	**$ (12,551)**	**$ (7,610)**	**$ 20,554**

	Exchange differences on translation of foreign operations	Cash flow hedges	Hedge of net investments in foreign operations	Total
Balance as at June 30, 2014	**$ 9,652**	**$ (985)**	**$ 952**	**$ 9,619**
Other comprehensive income (loss)	2,495	(3,250)	(1,481)	(2,236)
Balance as at September 30, 2014	**$ 12,147**	**$ (4,235)**	**$ (529)**	**$ 7,383**
Balance as at March 31, 2014	**$ 13,156**	**$ (4,680)**	**$ (1,708)**	**$ 6,768**
Other comprehensive income (loss)	(1,009)	445	1,179	615
Balance as at September 30, 2014	**$ 12,147**	**$ (4,235)**	**$ (529)**	**$ 7,383**

Note 13. Net change in non-cash items related to continuing operations

The net change in non-cash items related to continuing operations is detailed as follows:

	Quarters ended September 30,		Six months ended September 30,	
	2015	2014	**2015**	2014
Accounts receivable	**$ 1,648**	$ (1,495)	**$ 5,105**	$ 2,243
Income tax receivable	**(711)**	(359)	**(2,517)**	(684)
Inventories	**(5,708)**	2,314	**(8,892)**	2,072
Other current assets	**891**	2,037	**3,823**	2,278
Accounts payable and accrued liabilities, accounts payable – other and other liabilities	**(4,121)**	(1,362)	**(13,288)**	(9,909)
Provisions	**413**	304	**(7,491)**	(574)
Progress billings	**(1,246)**	1,783	**(1,033)**	1,572
Customer advances	**(5,446)**	4,839	**(9,035)**	9,826
Income tax payable	**138**	(659)	**(53)**	47
Effect of changes in exchange rates[(1)]	**4,494**	736	**4,583**	(156)
	$ (9,648)	$ 8,138	**$ (28,798)**	$ 6,715

(1) *Reflects the total impact of changes in exchange rates during the period on non-cash items listed above for the Corporation's foreign subsidiaries.*

Note 14. Commitments

The Corporation has released purchase orders relating to machinery and equipment which have not been delivered yet to the Corporation's facilities. As at September 30, 2015, these outstanding purchase orders amounted to $18,203 ($34,845 as at March 31, 2015) net of related deposits of $33,425 ($23,306 as at March 31, 2015), which are included in the Corporation's balance sheet.

Note 15. Geographic information

The geographic segmentation of assets is as follows:

	September 30, 2015				March 31, 2015			
	Canada	**U.S.**	**U.K.**	**Total**	Canada	U.S.	U.K.	Total
Property, plant and equipment, net	**$ 89,552**	**$ 60,861**	**$ 12,320**	**$162,733**	$ 81,437	$ 47,136	$ 13,539	$142,112
Finite-life intangible assets, net	**27,096**	**4,196**	**21,041**	**52,333**	26,451	4,593	19,513	50,557
Goodwill	**$ 13,838**	**$ 10,030**	**$ 75,378**	**$ 99,246**	$ 13,838	$ 9,519	$ 70,170	$ 93,527

Geographic sales based on customer's location are detailed as follows:

	Quarters ended September 30,		**Six months ended September 30,**	
	2015	2014	**2015**	2014
Canada	**$ 20,026**	$ 17,276	**$ 41,400**	$ 38,357
United States	**51,818**	44,734	**103,943**	87,211
United Kingdom	**8,331**	11,631	**19,856**	23,154
Other countries	**14,343**	10,445	**27,556**	21,772
	$ 94,518	$ 84,086	**$192,755**	$170,494