From: **Héroux-Devtek Inc.**
Gilles Labbé
President and Chief Executive Officer
Tel.: (450) 679-3330

Contact: **Héroux-Devtek Inc.**
Stéphane Arsenault
Chief Financial Officer
Tel.: (450) 679-3330

MaisonBrison
Martin Goulet, CFA
Tel.: (514) 731-0000

PRESS RELEASE
FOR IMMEDIATE RELEASE

HÉROUX-DEVTEK REPORTS FISCAL 2015 FIRST QUARTER RESULTS

- **Sales of $86.4 million, including $24.2 million from APPH**
- **33.7% increase in Q1 adjusted[1] EBITDA to $10.4 million**
- **Q1 adjusted[1] earnings per share of $0.12, up from $0.09 last year**
- **Funded backlog of $447 million**

Longueuil, Québec, August 7, 2014 — Héroux-Devtek Inc. (TSX: HRX), ("Héroux-Devtek" or the "Corporation"), a leading Canadian manufacturer of aerospace products, today reported its results for the first quarter of fiscal 2015 ended June 30, 2014. Results include the contribution of APPH Limited and APPH Wichita Inc. (collectively "APPH"), acquired on February 3, 2014. Unless otherwise indicated, all amounts are in Canadian dollars.

"Héroux-Devtek's sales and adjusted EBITDA growth in the first quarter of fiscal 2015 was driven by a solid performance from APPH," said Gilles Labbé, President and CEO of Héroux-Devtek. "As anticipated, on a comparable basis, sales remained essentially stable, as the strength of the large commercial aircraft market and initial production sales for the Legacy 450/500 business jet program were offset by softness in the military market. Our financial position remains healthy, as we are proceeding with capital investments in preparation for the B-777 and B-777X contract in line with our comprehensive plan."

FINANCIAL HIGHLIGHTS (in thousands of dollars, except per share data)	**Quarters ended June 30, 2014**	**2013**
Sales	**86,408**	62,972
Adjusted[1] EBITDA	**10,360**	7,747
Adjusted[1] net income	**3,756**	2,814
Per share – basic and diluted ($)	**0.12**	0.09
Net income	**3,500**	2,814
Per share – basic and diluted ($)	**0.11**	0.09
Weighted-average shares outstanding (diluted, in '000s)	**31,947**	31,669

[1] Excluding restructuring charges.

Consolidated sales grew 37.2% to $86.4 million, up from $63.0 million in the first quarter of fiscal 2014. This $23.4 million increase is essentially attributable to a $24.2 million contribution from APPH. On a comparable basis, sales decreased slightly. Year-over-year fluctuations in the value of the Canadian currency versus the US currency increased first-quarter sales by $2.0 million.

Sales to the commercial aerospace market increased 53.4% to $43.3 million reflecting commercial sales of $10.2 million from APPH. Excluding the latter, commercial sales rose 17.2% as a result of higher production rates for certain large commercial aircraft programs and higher sales to the business jet market reflecting the entry into production of the Embraer Legacy 450/500 program. Sales to the military aerospace market reached $43.1 million, up 24.0% from a year ago driven by a $14.0 million contribution from APPH. Excluding APPH, military sales decreased 16.2% due to a slowdown in repair and overhaul activities, lower spare requirements, mainly on the C-5 program from the U.S. government, and lower electronic enclosures and cabinet sales at Magtron as a result of lower customer requirements. These factors were partially offset by higher sales volume with The Boeing Company ("Boeing") on the CH-47 helicopter program.

Gross profit was $14.2 million, or 16.4% of sales, up from $9.2 million, or 14.5% of sales, last year. The increase in dollars and as a percentage of sales reflects the acquisition of APPH, including its more favourable product mix during the quarter. Excluding APPH, gross profit as a percentage of sales was relatively stable, as a higher under-absorption of manufacturing overhead costs at the Longueuil facility resulting from a slowdown in military repair and overhaul activities was offset by improved efficiency and lower non-recurring costs related to the development of a new landing gear system, when compared to last year. Currency variation had a negative effect equivalent to 0.4% of sales, on gross profit compared with last year's first quarter. The impact of currency movements on the Corporation's gross profit is influenced by the use of forward foreign exchange sales contracts and the natural hedging from the purchase of materials made in U.S. dollars.

Reflecting higher gross profit, adjusted EBITDA, which excludes restructuring charges of $0.4 million related to manufacturing capacity optimization and consolidation initiatives announced in January 2014, stood at $10.4 million, or 12.0% of sales, up from $7.7 million, or 12.3% of sales, a year ago. The decrease in adjusted EBITDA as a percentage of sales is due to a loss on currency translation of net monetary items denominated in foreign currencies of $0.4 million this year, as opposed to a $0.5 million gain last year. These contrary variations had a combined year-over-year effect of $0.02 per share, after taxes, on adjusted net income.

Adjusted net income, which excludes restructuring charges of $0.3 million, net of taxes, stood at $3.8 million, or $0.12 per diluted share, in the first quarter of fiscal 2015, versus $2.8 million, or $0.09 per diluted share in the first quarter of fiscal 2014.

FINANCIAL POSITION

As at June 30, 2014, Héroux-Devtek's balance sheet remained healthy with cash and cash equivalents of $43.5 million, or $1.21 per share, while total long-term debt was $100.6 million, including the current portion, but excluding net deferred financing costs. Long-term debt includes $50.3 million drawn against the Corporation's authorized Credit Facility of $200.0 million. As a result, the Corporation's net debt position stood at $57.1 million as at June 30, 2014, while the net-debt-to equity ratio was 0.19:1.

During the quarter, the Corporation proceeded with the issuance of 4,255,871 common shares pursuant to a public offering and concurrent private placements. Net proceeds of $47.9 million were used to repay indebtedness under the Credit Facility.

RECENT EVENT

Earlier today, Héroux-Devtek announced that it has been awarded a multi-year contract by Boeing to manufacture torque tubes for the 787 Dreamliner aircraft. Under the terms of the agreement, which represents new business for Héroux-Devtek, shipments are scheduled to begin in early calendar year 2015. The contract is an initial co-production agreement that further strengthens the Corporation's business relationship with Boeing. Production of the 787 Dreamliner is ramping up from the current rate of 10 aircraft per month to 12 aircraft in 2016 and to 14 aircraft by the end of the decade. As of July 31, 2014, Boeing's order backlog for the B-787 program stood at 869 aircraft.

OUTLOOK

Conditions remain favourable in the commercial aerospace market. Large commercial aircraft manufacturers are increasing production rates on certain leading programs through calendar 2017 and order backlogs remain strong, representing eight years of production at current rates. The business jet market continues to improve with higher aircraft shipments and this growth should be sustained over several years driven by a better economy and new aircraft introduction, including three models for which Héroux-Devtek developed the landing gear. The military aerospace market should remain difficult and although sequestration cuts were eliminated through the U.S. Government's 2015 fiscal year, current funding requests beyond that horizon exceed planned budget limits, which could affect the Corporation over its ensuing fiscal years. However, as APPH reduces Héroux-Devtek's relative exposure to the U.S. military market, a more geographically diversified military portfolio, mainly composed of leading programs, and also balanced between new component manufacturing and aftermarket products and services, should lessen this impact.

As at June 30, 2014, Héroux-Devtek's funded (firm orders) backlog stood at $447 million, versus $456 million at the beginning of the fiscal year.

"For fiscal 2015, Héroux-Devtek will benefit from APPH's additional contribution, while internal sales are expected to remain relatively stable compared with last fiscal year, as an increase in internal sales to the commercial aerospace market should be offset by lower internal sales to the military aerospace market. With respect to the second quarter, it is important to remember that it has traditionally been a relatively slower period owing to seasonal factors, such as plant shutdowns and summer vacations. Over the long-term, we are confident to reach our objective of achieving annual sales of approximately $500 million within the next five years, assuming no other acquisitions, as most of our markets are exhibiting robust growth. These favourable conditions should present Héroux-Devtek with further opportunities to demonstrate its world-class capabilities in providing value-added products and services to the global landing gear market," concluded Mr. Labbé.

CONFERENCE CALL

Héroux-Devtek Inc. will hold a conference call to discuss these results on Thursday, August 7, 2014 at 3:00 PM Eastern Time. Interested parties can join the call by dialling (514) 807-9895 (Montreal or overseas) or 1-888-231-8191 (elsewhere in North America). The conference call can also be accessed via live webcast at Héroux-Devtek's website, www.herouxdevtek.com, www.newswire.ca or www.q1234.com.

If you are unable to call in at this time, you may access a tape recording of the meeting by calling 1-855-859-2056 and entering the passcode 63718395 on your phone. This tape recording will be available on Thursday, August 7, 2014 as of 6:00 PM Eastern Time until 11:59 PM Eastern Time on Thursday, August 14, 2014.

PROFILE

Héroux-Devtek Inc. (TSX: HRX) is a Canadian company specializing in the design, development, manufacture and repair and overhaul of landing gear systems and components for the Aerospace market. The Corporation is the third largest landing gear company worldwide, supplying both the commercial and military sectors of the Aerospace market with new landing gear systems and components, as well as aftermarket products and services. The Corporation also manufactures electronic enclosures, heat exchangers and cabinets for suppliers of airborne radar, electro-optic systems and aircraft controls through its Magtron operations. On a pro forma basis, approximately 75% of the Corporation's sales are outside Canada, including 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 and Toronto, Ontario; Springfield and Cleveland, Ohio; Wichita, Kansas; 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.

-30-

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

First quarter ended June 30, 2014

Notice of Disclosure of Non-Auditor Review of Interim Condensed Consolidated Financial Statements for the quarters ended June 30, 2014 and 2013.

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 June 30, 2014 and 2013, have been prepared in accordance with the 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 the Canadian Institute of Chartered Accountants for a review of financial statements by the external auditors of an entity.

August 6, 2014.

CONSOLIDATED BALANCE SHEETS
As at June 30, 2014 and March 31, 2014
(In thousands of Canadian dollars) (Unaudited)

	Notes	June 30, 2014	March 31, 2014
Assets	13		
Current assets			
Cash and cash equivalents	10	**$ 43,492**	$ 47,347
Accounts receivable		**62,304**	66,042
Income tax receivable		**833**	508
Inventories		**134,290**	134,048
Derivative financial instruments	11	**711**	283
Other current assets	12	**27,326**	26,921
		268,956	275,149
Property, plant and equipment, net	5	**95,718**	92,305
Finite-life intangible assets, net	5	**58,345**	59,139
Derivative financial instruments	11	**1,056**	276
Deferred income tax assets		**2,690**	2,720
Goodwill		**83,513**	84,378
Total assets		**$ 510,278**	$ 513,967
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities		**$ 50,414**	$ 57,623
Accounts payable - other and other liabilities		**2,013**	3,791
Provisions		**13,768**	14,990
Customer advances		**14,396**	9,409
Progress billings		**6,710**	6,529
Income tax payable		**914**	690
Derivative financial instruments	11	**2,069**	4,781
Current portion of long-term debt	13	**3,605**	3,648
		93,889	101,461
Long-term debt	13	**95,448**	145,224
Provisions		**4,858**	4,853
Progress billings		**789**	1,181
Derivative financial instruments	11	**1,123**	2,477
Deferred income tax liabilities		**9,455**	8,638
Other liabilities		**9,030**	9,994
		214,592	273,828
Shareholders' equity			
Issued capital	14	**74,705**	26,187
Contributed surplus	14	**1,557**	1,247
Accumulated other comprehensive income	15	**9,619**	6,768
Retained earnings		**209,805**	205,937
		295,686	240,139
		$ 510,278	$ 513,967

Commitments and Contingencies (notes 17 and 18)

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

CONSOLIDATED STATEMENTS OF INCOME
For the quarters ended June 30, 2014 and 2013
(In thousands of Canadian dollars, except per share data) (Unaudited)

	Notes		2014		2013
Sales		$	**86,408**	$	62,972
Cost of sales	**5, 6**		**72,227**		53,820
Gross profit			**14,181**		9,152
Selling and administrative expenses	**5, 6**		**7,938**		4,641
Operating income			**6,243**		4,511
Financial expenses	**7**		**1,704**		723
Income before income tax expense and restructuring charges			**4,539**		3,788
Restructuring charges	**8**		**351**		—
Income before income tax expense			**4,188**		3,788
Income tax expense			**688**		974
Net income		$	**3,500**	$	2,814
Earnings per share – basic	**9**	$	**0.11**	$	0.09
Earnings per share – diluted	**9**	$	**0.11**	$	0.09

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the quarters ended June 30, 2014 and 2013
(In thousands of Canadian dollars) (Unaudited)

	Notes		2014		2013
	15				
Other comprehensive income:					
Items that may be reclassified to net income					
Gain (loss) arising from translating the financial statements of foreign operations		**$**	**(3,504)**	$	3,793
Cash flow hedges:					
Net gains (losses) on valuation of derivative financial instruments			**5,407**		(3,435)
Net gains on derivative financial instruments transferred to net income			**(367)**		(520)
Deferred income taxes			**(1,345)**		1,052
			3,695		(2,903)
Gains (losses) on hedge of net investments in foreign operations			**3,236**		(788)
Deferred income taxes			**(576)**		102
			2,660		(686)
Items that are never reclassified to net income					
Defined benefit pension plans:					
Gains (losses) from remeasurement			**502**		(194)
Deferred income taxes			**(134)**		52
			368		(142)
Other comprehensive income		**$**	**3,219**	$	62
Comprehensive income					
Net income		**$**	**3,500**	$	2,814
Other comprehensive income			**3,219**		62
Comprehensive income		**$**	**6,719**	$	2,876

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

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the quarters ended June 30, 2014 and 2013

(In thousands of Canadian dollars) (Unaudited)

	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 and fully paid:						
Pursuant to the Public offering and concurrent private placements	14	48,462	—	—	—	48,462
Under the Stock purchase and ownership incentive plan	14	56	—	—	—	56
Stock-based compensation expense	14	—	310	—	—	310
Net income		—	—	—	3,500	3,500
Other comprehensive income		—	—	2,851	368	3,219
Balance as at June 30, 2014		**$ 74,705**	**$ 1,557**	**$ 9,619**	**$ 209,805**	**$ 295,686**

	Notes	Issued capital	Contributed surplus	Accumulated other comprehensive income	Retained earnings	Shareholders' equity
Balance as at March 31, 2013		**$ 25,365**	**$ 1,222**	**$ 2,647**	**$ 193,419**	**$ 222,653**
Common shares issued and fully paid under the Stock purchase and ownership incentive plan	14	67	—	—	—	67
Stock-based compensation expense	14	—	36	—	—	36
Net income		—	—	—	2,814	2,814
Other comprehensive income (loss)		—	—	204	(142)	62
Balance as at June 30, 2013		**$ 25,432**	**$ 1,258**	**$ 2,851**	**$ 196,091**	**$ 225,632**

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

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the quarters ended June 30, 2014 and 2013
(In thousands of Canadian dollars) (Unaudited)

	Notes	2014	2013
Cash and cash equivalents provided by (used for):			
Operating activities			
Net income from continuing operations		**$ 3,500**	$ 2,814
Items not requiring an outlay of cash:			
Amortization expense	**6**	**4,117**	3,236
Deferred income taxes		**(140)**	623
Loss (gain) on sale of property, plant and equipment		**(15)**	1
Non-cash financial expenses	**7**	**706**	442
Stock-based compensation expense	**14**	**310**	36
Cash flows from continuing operations		**8,478**	7,152
Net change in non-cash items related to continuing operations	**16**	**(1,423)**	(3,645)
Cash flows related to operating activities from continuing operations		**7,055**	3,507
Cash flows related to operating activities from discontinued operations		**(482)**	(1,641)
Cash flows related to operating activities		**6,573**	1,866
Investing activities			
Additions to property, plant and equipment		**(9,179)**	(3,181)
Deposits on machinery and equipment		**(677)**	(467)
Net increase in finite-life intangible assets		**(48)**	(2,995)
Proceeds on disposal of property, plant and equipment		**207**	—
Cash flows related to investing activities		**(9,697)**	(6,643)
Financing activities			
Increase in long-term debt		**18,620**	—
Repayment of long-term debt		**(65,832)**	(2,561)
Issuance of common shares	**14**	**47,956**	67
Cash flows related to financing activities		**744**	(2,494)
Effect of changes in exchange rates on cash and cash equivalents		**(1,475)**	2,711
Change in cash and cash equivalents during the periods		**(3,855)**	(4,560)
Cash and cash equivalents at beginning of periods		**47,347**	101,256
Cash and cash equivalents at end of periods		**$ 43,492**	$ 96,696
Interest and taxes reflected in operating activities:			
Interest paid for continuing operations		**$ 1,031**	$ 391
Interest received from continuing operations		**$ 33**	$ 110
Income taxes paid for continuing operations		**$ 862**	$ 661
Income taxes paid for discontinued operations		**$ 482**	$ 1,641

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

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, aircraft controls through its Magtron operations and 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 June 30, 2014 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 for the quarter ended June 30, 2014 should be read together with the annual audited consolidated financial statements and notes thereto included in the Company's Annual Report for the fiscal year ended March 31, 2014.

These interim condensed consolidated financial statements were approved for issue by the Board of Directors of the Corporation on August 6, 2014.

Note 3. Changes in accounting policies

On April 1, 2014, the Corporation adopted retrospectively the standard below. The adoption of the new standard had no impact on prior periods comparative figures.

IFRIC 21 Levies

IFRIC 21 clarifies the timing of accounting for a liability for outflow of resources that is imposed by governments in accordance with legislation, based on the activity that triggers the payment. Levies is required to be applied retrospectively for periods beginning April 1, 2014. The Corporation adopted IFRIC 21 on April 1, 2014 and the adoption of this standard had no impact on the Corporation's interim consolidated financial statements.

Note 4. Business acquisition

On February 3, 2014, the Corporation signed an agreement to acquire the entire share capital of U.K. - based APPH Limited and U.S. - based APPH Wichita Inc. (collectively "APPH"), from BBA Aviation Plc (LSE : BBA), for a consideration of US$124,184 ($138,738), net of US$3,816 ($4,264) of cash acquired. The acquisition was financed with the Corporation's available cash for US$54,884 ($61,316) and existing credit facility for US$69,300 ($77,422). The transaction was treated as a business combination.

APPH is an integrated provider of landing gear and hydraulic systems and assemblies for original equipment manufacture ("OEM") and aftermarket applications. This acquisition expands the Corporation's geographical operations into the European market and further increases and diversifies its customer base.

The preliminary purchase price allocation that reflects the fair value of the assets acquired and liabilities assumed with any excess allocated to goodwill at February 3, 2014 was as follows:

Cash	$	4,264
Accounts receivable		15,548
Inventories		39,310
Other current assets		854
Total current assets		59,976
Property, plant and equipment		14,896
Finite-life intangible assets [(1)]		25,469
Deferred income tax assets		1,098
Total non-current assets		41,463
Accounts payable and accrued liabilities		12,535
Accounts payable - other and other liabilities [(2)]		1,698
Provisions		5,611
Total current liabilities		19,844
Other liabilities [(2)]		3,306
Total non-current liabilities		3,306
Net identifiable assets and liabilities		78,289
Goodwill on acquisition		64,713
Total consideration		143,002
Cash acquired		4,264
Net cash outflow	**$**	**138,738**

(1) *Mainly customer relationships and contracts representing $25,109.*
(2) *Essentially deferred revenue.*

This purchase price allocation is preliminary, the final purchase price allocation could result in changes to the fair value of assets acquired and liabilities assumed. The final purchase price allocation is expected to be completed as soon as management has gathered all the significant information available and considered necessary in order to finalize this allocation. The goodwill of $64,713 has been mainly allocated to the Landing Gear product line.

Note 5. Government assistance

During the quarter ended June 30, 2014, the Corporation recorded as government assistance for an amount of $513 ($460 in 2013) as a reduction of cost of sales and selling and administrative expenses and an amount of $205 ($310 in 2013) as a reduction of the related property, plant and equipment or capitalized development costs and software, presented under Finite-life intangible assets.

Note 6. Cost of sales, selling and administrative expenses

The main components of these expenses for the quarters ended June 30, are as follows:

		2014		**2013**
Raw materials and purchased parts	**$**	**31,322**	$	25,163
Employee costs		**30,907**		24,038
Amortization of property, plant and equipment and finite-life intangible assets		**4,117**		3,236
Others		**13,819**		6,024
	$	**80,165**	$	58,461

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 June 30, 2014, the foreign exchange loss included in the Corporation's selling and administrative expenses amounted to $421 (gain of $520 in 2013).

Note 7. Financial expenses

Financial expenses for the quarters ended June 30, comprise the following:

		2014		2013
Interest expense	**$**	**925**	$	252
Interest accretion on governmental authorities loans		**573**		469
Interest on net defined benefit obligations		**61**		114
Amortization of deferred financing costs (note 13)		**79**		110
Standby fees		**106**		139
Other interest accretion expense and discount rate adjustments		**(7)**		(251)
		1,737		833
Interest income on cash and cash equivalents		**33**		110
	$	**1,704**	$	723

Note 8. Restructuring charges

On January 16, 2014, given the substantial demand reduction for military aftermarket products with the U.S. government, the Corporation announced a plan to optimize and consolidate manufacturing capacity, while further enhancing productivity throughout the organization. These initiatives are in line with the Corporation's operating strategy of focusing on specialized centers of excellence.

These restructuring charges should result in a total charge of approximately $5,000 before income taxes of which $1,884 was recorded in the fourth quarter of the last fiscal year. For the quarter ended June 30, 2014, the Corporation recorded restructuring charges of $351 (none in 2013) which include employee termination benefits of $204 and other associated costs of $147. The remaining restructuring charges of $2,765 are expected to be incurred during the remainder of the current fiscal year. The unpaid portion of the restructuring charges at June 30, 2014 is presented under short-term provisions for $477 ($890 as at March 31, 2014) and other liabilities for $486 ($319 as at March 31, 2014) in the Corporation's Consolidated balance sheets.

Note 9. Earnings per share

The following table sets forth the elements used to compute basic and diluted earnings per share for the quarters ended June 30:

	2014	2013
Weighted-average number of common shares outstanding	**31,811,771**	31,517,146
Effect of dilutive stock options of the Corporation	**135,152**	151,496
Weighted-average number of common diluted shares outstanding	**31,946,923**	31,668,642

The diluted earnings per share calculation does not take into consideration the potential dilutive effect of certain stock options of the Corporation since their impact is anti-dilutive. During the quarter ended June 30, 2014, 502,500 stock options of the Corporation's plan (none in 2013) were excluded from the diluted earnings per share calculation.

Note 10. Cash and cash equivalents

		June 30, 2014		March 31, 2014
Cash at banks	**$**	**43,492**	$	47,347
	$	**43,492**	$	47,347

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Note 11. Derivative financial instruments

Forward foreign exchange contracts

As at June 30, 2014, the Corporation had forward foreign exchange contracts to sell US$117.9 million at a weighted-average rate of 1.0644 (Canadian dollar over U.S. dollar, "cad/usd"). As at March 31, 2014 and June 30, 2013, these contracts totalled US$127.4 million at a weighted-average rate of 1.0628 cad/usd and US$120.0 million at a weighted-average rate of 1.0326 cad/usd, respectively. As at June 30, 2014, these contracts mature at various dates between July 2014 and March 2017, with the majority maturing this and next fiscal year.

Interest rate swap agreements

As at June 30, 2014, March 31, 2014 and June 30, 2013, the Corporation had 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.

As at June 30, 2014 and March 31, 2014, the Corporation had 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 excludes the additional bank relevant margin (see note 13). The cash flows related to the interest-rate-swaps are expected to occur in the same periods as they are expected to affect the net income.

Note 12. Other current assets

		June 30, 2014		March 31, 2014
Investment and other tax credits receivable	**$**	**8,721**	$	8,762
Sales tax receivable		**2,021**		1,761
Deposits on machinery and equipment (note 17)		**13,545**		12,868
Prepaid expenses		**2,773**		2,748
Others		**266**		782
	$	**27,326**	$	26,921

Note 13. Long-term debt

		June 30, 2014		March 31, 2014
Senior Secured Syndicated Revolving Credit Facility ("Credit Facility") of up to $200,000 (either in Canadian, U.S., Euro or British Pound currency equivalent), maturing on March 16, 2019, which US$32,000 bears interest at Libor plus 1.5% (US$91,300 as at March 31, 2014) and $16,200 bears interest at the Bankers' Acceptance rate plus 1.5% as at June 30, 2014 (none as at March 31, 2014), secured by all assets of the Corporation and its subsidiaries. The Credit Facility includes an accordion feature to increase the Credit Facility up to $275 million subject to lenders' consent.	**$**	**50,344**	$	100,932
Governmental authorities loans, repayable in variable annual instalments, with various expiry dates until fiscal year 2030.		**45,612**		44,463
Obligations under finance leases, all bearing fixed interest rates between 3.3% and 6.5% as at June 30, 2014 and March 31, 2014, maturing from January 2016 to February 2021, with amortization periods ranging from five to seven years, secured by the related property, plant and equipment, net of interest of $369 ($436 as at March 31, 2014).		**4,612**		5,071
Deferred financing costs, net		**(1,515)**		(1,594)
		99,053		148,872
Less: current portion		**3,605**		3,648
	$	**95,448**	$	145,224

Senior Secured Syndicated Revolving Credit Facility

On June 26, 2014, as a result of the net proceeds received of $47.9 million from the issuance of 4,255,871 common shares pursuant to the public offering and concurrent private placements (see note 14) and an amount of $16.2 million drawn against the Credit Facility, the Corporation repaid US$59.3 million ($63.6 million) of debt under its Credit Facility.

Note 14. Issued capital

For the quarter ended June 30, 2014, variations in common shares issued are as follows:

	June 30, 2014		
	Number		Issued capital
Common shares issued and fully paid			
Opening balance	**31,620,482**	**$**	**26,187**
Issued for cash pursuant to the public offering and concurrent private placements	**4,255,871**		**48,462**
Issued for cash under the stock purchase and ownership incentive plan	**5,345**		**56**
Closing balance	**35,881,698**	**$**	**74,705**

Issuance of common shares

During the quarter ended June 30, 2014, the Corporation issued 4,261,216 common shares as follows:

i. On June 26, 2014, the Corporation issued 4,255,871 common shares at a price of $11.75 per share for gross proceeds of $50.0 million pursuant to the public offering and concurrent private placements. The net proceeds of $47.9 million received by the Corporation, net of underwriting commissions and other issuance costs of $1.6 million and $0.5 million respectively, were used to repay indebtedness under its Credit Facility (see note 13). Deferred income taxes of $562 were recorded related to the issuance costs.

ii. The Corporation issued 5,345 common shares at a weighted-average price of $10.39 under the Corporation's stock purchase and ownership incentive plan for a total cash consideration of $56.

During the quarter ended June 30, 2013, the Corporation issued 9,336 common shares at a weighted-average price of $7.14 for a total cash consideration of $67.

A. Stock option plan

As at June 30, 2014 and March 31, 2014, the number of common shares reserved for issuance of stock options represents 2,808,257 of which 1,674,781 shares had not been issued yet. The options are granted at a subscription price representing the average closing price of the Corporation's common shares on the TSX 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 two and three years following the grant date. The options are exercisable over a period no greater than seven years after the grant date.

During the quarters ended June 30, 2014 and 2013, no stock options were granted, exercised or cancelled. As at June 30, 2014 and March 31, 2014, 686,001 stock options were issued and outstanding at a weighted-average exercise price of $9.39.

For the quarter ended June 30, 2014, the stock option plan expense amounted to $310 ($36 in 2013).

B. Stock purchase and ownership incentive plan

During the first quarter ended June 30, 2014, 5,345 common shares were issued (9,336 in 2013) and 3,397 common shares were attributed to the participating employees (3,834 in 2013), under the stock purchase and ownership incentive plan. For the quarter ended June 30, 2014, the expense related to the attributed common shares amounted to $39 ($31 in 2013).

C. Stock appreciation right ("SAR") plan

During the quarters ended June 30, 2014 and 2013, no SARs were granted, exercised or cancelled. As at June 30, 2014 and March 31, 2014, on a cumulative basis, 17,000 SARs were still outstanding at a weighted-average granted value of $1.72 which expire on various dates in fiscal 2015 and 2016.

For the quarter ended June 30, 2014, the reversal of SAR expense amounted to $4 (expense of $21 in 2013).

In August 2010, the SAR plan has been replaced by the deferred share unit plan ("DSU") (see below).

D. DSU plan

As at June 30, 2014 and March 31, 2014, on a cumulative basis, 64,825 DSUs were outstanding.

During the quarters ended June 30, 2014 and 2013, no DSUs were issued, exercised or cancelled.

For the quarter ended June 30, 2014, DSU expense amounted to $21 ($58 in 2013).

Note 15. Accumulated other comprehensive income

Changes in accumulated other comprehensive income are as follows:

	Exchange differences on translation of foreign operations	Cash flow hedges	Hedge of net investments in foreign operations	Total
Balance as at March 31, 2014	**$ 13,156**	**$ (4,680)**	**$ (1,708)**	**$ 6,768**
Other comprehensive income (loss)	(3,504)	3,695	2,660	2,851
Balance as at June 30, 2014	**$ 9,652**	**$ (985)**	**$ 952**	**$ 9,619**
Balance as at March 31, 2013	**$ 3,215**	**$ 63**	**$ (631)**	**$ 2,647**
Other comprehensive income (loss)	3,793	(2,903)	(686)	204
Balance as at June 30, 2013	**$ 7,008**	**$ (2,840)**	**$ (1,317)**	**$ 2,851**

Note 16. Net change in non-cash items related to continuing operations

For the quarters ended June 30, the net change in non-cash items related to continuing operations is detailed as follows:

	2014	**2013**
Accounts receivable	**$ 3,738**	$ 6,615
Income tax receivable	**(325)**	233
Inventories	**(242)**	(1,528)
Other current assets	**241**	(1)
Accounts payable and accrued liabilities, accounts payable – other and other liabilities	**(8,547)**	(5,541)
Provisions	**(878)**	105
Progress billings	**(211)**	(3,397)
Customer advances	**4,987**	—
Income tax payable	**706**	(791)
Effect of changes in exchange rate[1]	**(892)**	660
	$ (1,423)	$ (3,645)

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

Note 17. 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 June 30, 2014, these outstanding purchase orders amounted to $40,065 ($42,203 as at March 31, 2014) for which an amount of $13,545 ($12,868 as at March 31, 2014) in deposits on machinery and equipment were made and are included in the Corporation's other current assets.

Note 18. Contingencies

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 an alleged violation of a non-compete covenant contained in an agreement between Goodrich Corporation and Devtek Aerospace Inc. relating to the manufacturing of pistons. The arbitration date has not been set yet.

The Corporation disagrees with the Goodrich Corporation's position and believes that it is acting in conformity with its agreements and accordingly no provision was recorded as of June 30, 2014 and March 31, 2014. While the Corporation cannot predict the final outcome of this arbitration, the Corporation intends to defend its position in this matter and has strong and serious grounds of defense to oppose within the arbitration process.

Note 19. Geographic information

Geographic information represents the following:

	2014				2013		
Quarters ended June 30,	**Canada**	**U.S.**	**U.K.**	**Total**	**Canada**	**U.S.**	**Total**
Sales	**$ 51,918**	**$ 14,183**	**$ 20,307**	**$ 86,408**	$ 50,521	$ 12,451	$ 62,972
Property, plant and equipment, net	**67,396**	**16,792**	**11,530**	**95,718**	65,254	12,531	77,785
Finite-life intangible assets, net	**33,604**	**4,181**	**20,560**	**58,345**	29,048	296	29,344
Goodwill	**13,838**	**8,228**	**61,447**	**83,513**	13,838	5,530	19,368
Export sales(1)	**$ 39,637**				$ 30,273		

During the quarters ended June 30, 2014 and 2013, 49% and 63% of the Corporation's sales, respectively, were made to U.S. customers.

(1) Export sales are attributed to countries based on customer location.