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PRESS RELEASE
FOR IMMEDIATE RELEASE

HÉROUX-DEVTEK REPORTS FISCAL 2015 SECOND QUARTER RESULTS

- **Q2 sales of $84.1 million, including $23.5 million from APPH; comparable sales growth of 4.8%**
- **53.1% increase in Q2 adjusted[1] EBITDA to $10.0 million**
- **Q2 adjusted[1] earnings per share of $0.11, up from $0.09 last year**
- **Funded backlog of $450 million**

Longueuil, Québec, November 14, 2014 — Héroux-Devtek Inc. (TSX: HRX), ("Héroux-Devtek" or the "Corporation"), a leading Canadian manufacturer of aerospace products, today reported its results for the second quarter of fiscal 2015 ended September 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 generated strong operating results during the second quarter, a period that is normally seasonally weaker due to plant shutdowns and summer vacations. In addition to solid sales and gross profit contributions from APPH, existing operations recorded higher sales to both the commercial and military aerospace markets driven by increased volume on several existing programs and the ramp up of the new Legacy 450/500 business jet program. This greater business activity, combined with enhanced manufacturing efficiency and a more favourable product mix, resulted in margin improvements and solid increases in adjusted EBITDA and adjusted net income," said Gilles Labbé, President and CEO of Héroux-Devtek.

FINANCIAL HIGHLIGHTS	**Quarters ended September 30,**		**Six months ended September 30,**	
(in thousands of dollars, except per share data)	**2014**	**2013**	**2014**	**2013**
Sales	**84,086**	56,402	**170,494**	119,374
Adjusted[1] EBITDA	**9,978**	6,518	**20,338**	14,265
Adjusted[1] net income	**3,839**	2,794	**7,595**	5,608
Per share – basic and diluted ($)	**0.11**	0.09	**0.22**	0.18
Net income	**3,273**	2,584	**6,773**	5,398
Per share – basic and diluted ($)	**0.09**	0.08	**0.20**	0.17
Weighted-average shares outstanding (diluted, in '000s)	**36,022**	31,688	**33,986**	31,678

[1] Excluding restructuring charges and acquisition-related costs.

Consolidated sales grew 49.1% to $84.1 million, up from $56.4 million in the second quarter of fiscal 2014. This $27.7 million increase is essentially attributable to a $23.5 million contribution from APPH, while year-over-year fluctuations in the value of the Canadian currency versus the US currency increased second-quarter sales by $1.5 million. Excluding these elements, sales increased $2.7 million, or 4.8%, on a comparable basis.

Sales to the commercial aerospace market increased 38.8% to $37.5 million reflecting commercial sales of $7.9 million from APPH. Excluding the latter, commercial sales rose 9.4% due to higher production rates for certain large commercial aircraft programs, mainly the B-777 and B-787 aircraft, 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 $46.6 million, up 58.6% from a year ago driven by a $15.5 million contribution from APPH. Excluding APPH, military sales increased 5.7% as a result of higher sales volume on the F-35 program and on the CH-47 helicopter program with The Boeing Company ("Boeing"), partially offset by a slowdown in repair and overhaul activities and lower electronic enclosures and cabinet sales due to lower customer requirements.

Gross profit reached $13.1 million, or 15.6% of sales, up from $7.9 million, or 14.0% 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 period. Excluding APPH, gross profit as a percentage of sales improved by 0.8%, reflecting increased efficiency and a better product mix in the military aftermarket. Currency variation had a negative effect equivalent to 1.0% of sales on gross profit compared with last year's second 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 US dollars.

Reflecting higher gross profit, adjusted EBITDA, which excludes restructuring charges of $0.8 million related to manufacturing capacity optimization and consolidation initiatives announced in January 2014, as well as certain charges related to the integration of APPH's operations, stood at $10.0 million, or 11.9% of sales, up from $6.5 million, or 11.6% of sales, a year ago. Last year's adjusted EBITDA excluded acquisition-related costs of $0.3 million.

Adjusted net income, which excludes restructuring charges of $0.6 million, net of taxes, stood at $3.8 million, or $0.11 per diluted share, in the second quarter of fiscal 2015, versus $2.8 million, or $0.09 per diluted share, in the second quarter of fiscal 2014, excluding acquisition-related costs of $0.2 million, net of taxes. Last year, the Corporation recorded a favourable adjustment of deferred income tax liabilities amounting to $0.9 million or $0.03 per diluted share.

SIX MONTHS RESULTS

For the first six months of fiscal 2015, consolidated sales amounted to $170.5 million, up from $119.4 million a year earlier. This variation reflects a $47.7 million contribution from APPH and a $3.7 million increase resulting from year-over-year currency fluctuations. Excluding these elements, comparable sales were essentially stable.

Reflecting the acquisition of APPH and its more favourable product mix during the period, gross profit reached $27.3 million, or 16.0% of sales, compared with $17.0 million, or 14.3% of sales, last year. Adjusted EBITDA totalled $20.3 million, or 11.9% of sales, up from $14.3 million, or 11.9% of sales, in the prior year. Finally, adjusted net income was $7.6 million, or $0.22 per diluted share, versus $5.6 million, or $0.18 per diluted share, a year ago.

FINANCIAL POSITION

As at September 30, 2014, Héroux-Devtek's balance sheet remained healthy with cash and cash equivalents of $50.9 million, or $1.42 per share, while total long-term debt was $103.7 million, including the current portion, but excluding net deferred financing costs. Long-term debt includes $52.0 million drawn against the Corporation's authorized Credit Facility of $200.0 million. As a result, the Corporation's net debt position stood at $52.8 million as at September 30, 2014, while the net-debt-to equity ratio was 0.18:1.

RECENT EVENT

On November 13, 2014, the shareholders' agreement between the Caisse de dépôt et placement du Québec (the "Caisse"), Gilles Labbé and the Corporation was replaced by an investors' rights agreement between the Caisse and the Corporation and by a shareholders' agreement between the Caisse and a company controlled by Gilles Labbé in order to reflect the current financial reality, corporate governance standards and market practices. The shareholders' agreement was initially signed in 1989 and amended in 1994.

OUTLOOK

Conditions remain favourable in the commercial aerospace market. Large commercial aircraft manufacturers are increasing production rates on certain leading programs through calendar 2018 and order backlogs represent eight years of production at current rates. The business jet market continues to improve with higher aircraft shipments and 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 September 30, 2014, Héroux-Devtek's funded (firm orders) backlog stood at $450 million, versus $447 million at the end of the previous quarter.

"In the short-term, our priorities are the integration of APPH and the execution of our $90 million capital investment plan in preparation for our multi-year contract with Boeing to supply complete landing gear systems for the B-777 and B-777X aircraft. At this moment, all major elements of the plan are progressing on-schedule and within budget and we are eager to demonstrate our world-class capabilities in executing a large-scale, value-added mandate. These two priorities are key constituents of Héroux-Devtek's longer-term objective of achieving annual sales of approximately $500 million within the next five years, based on existing contracts and assuming no other acquisitions. As for fiscal 2015, we continue to anticipate a solid contribution from APPH and relatively stable internal sales compared with last fiscal year, as an increase in sales to the commercial aerospace market should be offset by lower sales to the military aerospace market," concluded Mr. Labbé.

CONFERENCE CALL

Héroux-Devtek Inc. will hold a conference call to discuss these results on Friday, November 14, 2014 at 10:00 AM 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 5072666 on your phone. This tape recording will be available on Friday, November 14, 2014 as of 1:00 PM Eastern Time until 11:59 PM Eastern Time on Friday, November 21, 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.

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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

Second quarter ended September 30, 2014

Notice of Disclosure of Non-Auditor Review of Interim Condensed Consolidated Financial Statements for the quarters ended September 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 September 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 Chartered Professional accountants of Canada, for a review of financial statements by the external auditors of an entity.

November 13, 2014.

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

	Notes	September 30, 2014	March 31, 2014
Assets	13		
Current assets			
Cash and cash equivalents	10	**$ 50,942**	$ 47,347
Accounts receivable		**63,799**	66,042
Income tax receivable		**1,192**	508
Inventories		**131,976**	134,048
Derivative financial instruments	11	**148**	283
Other current assets	5, 12	**29,812**	26,921
		277,869	275,149
Property, plant and equipment, net	5	**100,179**	92,305
Finite-life intangible assets, net	5	**59,169**	59,139
Derivative financial instruments	11	**24**	276
Deferred income tax assets		**2,665**	2,720
Goodwill		**83,572**	84,378
Total assets		**$ 523,478**	$ 513,967
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities		**$ 48,882**	$ 57,623
Accounts payable - other and other liabilities		**4,361**	3,791
Provisions		**13,799**	14,990
Customer advances		**19,235**	9,409
Progress billings		**8,493**	6,529
Income tax payable		**230**	690
Derivative financial instruments	11	**4,087**	4,781
Current portion of long-term debt	13	**3,659**	3,648
		102,746	101,461
Long-term debt	13	**98,630**	145,224
Provisions		**5,003**	4,853
Progress billings		**789**	1,181
Derivative financial instruments	11	**2,324**	2,477
Deferred income tax liabilities		**7,039**	8,638
Other liabilities		**11,511**	9,994
		228,042	273,828
Shareholders' equity			
Issued capital	14	**75,104**	26,187
Contributed surplus	14	**1,757**	1,247
Accumulated other comprehensive income	15	**7,383**	6,768
Retained earnings		**211,192**	205,937
		295,436	240,139
		$ 523,478	$ 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 periods ended September 30, 2014 and 2013
(In thousands of Canadian dollars, except per share data) (Unaudited)

		Quarters ended September 30,		Six months ended September 30,	
	Notes	**2014**	**2013**	**2014**	**2013**
Sales		**$ 84,086**	$ 56,402	**$ 170,494**	$ 119,374
Cost of sales	**5, 6**	**70,999**	48,531	**143,226**	102,351
Gross profit		**13,087**	7,871	**27,268**	17,023
Selling and administrative expenses	**5, 6**	**7,350**	4,546	**15,288**	9,187
Acquisition-related costs	**6**	**—**	264	**—**	264
Operating income		**5,737**	3,061	**11,980**	7,572
Financial expenses	**7**	**1,270**	963	**2,974**	1,686
Income before income tax expense and restructuring charges		**4,467**	2,098	**9,006**	5,886
Restructuring charges	**8**	**763**	—	**1,114**	—
Income before income tax expense		**3,704**	2,098	**7,892**	5,886
Income tax expense (recovery)		**431**	(486)	**1,119**	488
Net income		**$ 3,273**	$ 2,584	**$ 6,773**	$ 5,398
Earnings per share – basic	**9**	**$ 0.09**	$ 0.08	**$ 0.20**	$ 0.17
Earnings per share – diluted	**9**	**$ 0.09**	$ 0.08	**$ 0.20**	$ 0.17

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the quarters ended September 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					
Net gains (losses) arising from translating the financial statements of foreign operations		**$**	**2,495**	$	(2,304)
Cash flow hedges:					
Net gains (losses) on valuation of derivative financial instruments			**(4,893)**		2,845
Net losses on derivative financial instruments transferred to net income			**461**		28
Deferred income taxes			**1,182**		(768)
			(3,250)		2,105
Gains (losses) on hedge of net investments in foreign operations			**(1,696)**		473
Deferred income taxes			**215**		(62)
			(1,481)		411
Items that are never reclassified to net income					
Defined benefit pension plans:					
Gains (losses) from remeasurement			**(2,573)**		4,336
Net change in asset limit and minimum funding requirements			**—**		(520)
Deferred income taxes			**687**		(1,023)
			(1,886)		2,793
Other comprehensive income (loss)		**$**	**(4,122)**	$	3,005
Comprehensive income (loss)					
Net income		**$**	**3,273**	$	2,584
Other comprehensive income (loss)			**(4,122)**		3,005
Comprehensive income (loss)		**$**	**(849)**	$	5,589

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the six-month periods ended September 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					
Net gains (losses) arising from translating the financial statements of foreign operations		**$**	**(1,009)**	$	1,489
Cash flow hedges:					
Net gains (losses) on valuation of derivative financial instruments			**514**		(590)
Net losses (gains) on derivative financial instruments transferred to net income			**94**		(492)
Deferred income taxes			**(163)**		284
			445		(798)
Gains (losses) on hedge of net investments in foreign operations			**1,540**		(315)
Deferred income taxes			**(361)**		40
			1,179		(275)
Items that are never reclassified to net income					
Defined benefit pension plans:					
Gains (losses) from remeasurement			**(2,071)**		4,142
Net change in asset limit and minimum funding requirements			**—**		(520)
Deferred income taxes			**553**		(971)
			(1,518)		2,651
Other comprehensive income (loss)		**$**	**(903)**	$	3,067
Comprehensive income (loss)					
Net income		**$**	**6,773**	$	5,398
Other comprehensive income (loss)			**(903)**		3,067
Comprehensive income		**$**	**5,870**	$	8,465

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

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the six-month periods ended September 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**	48,428	—	—	—	48,428
Under the Stock purchase and ownership incentive plan	**14**	169	—	—	—	169
Under the Stock option plan	**14**	320	(136)	—	—	184
Stock-based compensation expense	**14**	—	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**

	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**	133	—	—	—	133
Stock-based compensation expense	**14**	—	63	—	—	63
Net income		—	—	—	5,398	5,398
Other comprehensive income		—	—	416	2,651	3,067
Balance as at September 30, 2013		**$ 25,498**	**$ 1,285**	**$ 3,063**	**$ 201,468**	**$ 231,314**

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

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

	Notes	Quarters ended September 30, 2014	Quarters ended September 30, 2013	Six months ended September 30, 2014	Six months ended September 30, 2013
Cash and cash equivalents provided by (used for):					
Operating activities					
Net income		**$ 3,273**	$ 2,584	**$ 6,773**	$ 5,398
Items not requiring an outlay of cash:					
Amortization expense	6	**4,241**	3,193	**8,358**	6,429
Deferred income taxes		**(822)**	(1,791)	**(962)**	(1,168)
Gain on sale of property, plant and equipment		**(67)**	(41)	**(82)**	(40)
Non-cash financial expenses	7	**843**	713	**1,549**	1,155
Stock option expense	14	**336**	27	**646**	63
Cash flows from continuing operations		**7,804**	4,685	**16,282**	11,837
Net change in non-cash items related to continuing operations	16	**8,138**	(1,653)	**6,715**	(5,298)
Cash flows related to operating activities from continuing operations		**15,942**	3,032	**22,997**	6,539
Cash flows related to operating activities from discontinued operations		**(600)**	—	**(1,082)**	(1,641)
Cash flows related to operating activities		**15,342**	3,032	**21,915**	4,898
Investing activities					
Additions to property, plant and equipment		**(5,156)**	(3,340)	**(14,335)**	(6,521)
Deposits on machinery and equipment		**(4,492)**	557	**(5,169)**	90
Net increase in finite-life intangible assets		**(1,366)**	(2,269)	**(1,414)**	(5,264)
Proceeds on disposal of property, plant and equipment		**223**	47	**430**	47
Cash flows related to investing activities		**(10,791)**	(5,005)	**(20,488)**	(11,648)
Financing activities					
Increase in long-term debt		**1,316**	—	**19,936**	—
Repayment of long-term debt		**(479)**	(486)	**(66,311)**	(3,047)
Issuance of common shares	14	**250**	66	**48,206**	133
Cash flows related to financing activities		**1,087**	(420)	**1,831**	(2,914)
Effect of changes in exchange rates on cash and cash equivalents		**1,812**	(1,625)	**337**	1,086
Change in cash and cash equivalents during the periods		**7,450**	(4,018)	**3,595**	(8,578)
Cash and cash equivalents at beginning of periods		**43,492**	96,696	**47,347**	101,256
Cash and cash equivalents at end of periods		**$ 50,942**	$ 92,678	**$ 50,942**	$ 92,678
Interest and taxes reflected in operating activities:					
Interest paid for continuing operations		**$ 486**	$ 361	**$ 1,517**	$ 752
Interest received from continuing operations		**$ 59**	$ 111	**$ 92**	$ 221
Income taxes paid for continuing operations		**$ 1,695**	$ 469	**$ 2,557**	$ 1,130
Income taxes paid for discontinued operations		**$ 25**	$ —	**$ 507**	$ 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 September 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, except for the changes in accounting policies described in note 3. Accordingly, these interim condensed consolidated financial statements for the quarter ended September 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 November 13, 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 condensed consolidated financial statements.

Future change in accounting policies

IFRS 15

The IFRS 15, *revenue from contracts with customers*, establishes a single framework for determining the timing and the amount of revenue that can be recognized. These amendments are required to be applied retrospectively for periods beginning April 1, 2017, with earlier application permitted. The Corporation has not yet assessed the impact of these amendments.

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 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, are as follows:

	Quarters ended September 30,		Six months ended September 30,	
	2014	**2013**	**2014**	**2013**
Other current assets - deposits on machinery and equipment	**$ 1,221**	$ —	**$ 1,221**	$ —
Property, plant and equipment	**180**	25	**289**	25
Finite-life intangible assets	**642**	1,179	**738**	1,489
Cost of sales, selling and administrative expenses	**1,062**	1,056	**1,575**	1,516

Note 6. Cost of sales, selling and administrative expenses and acquisition-related costs

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,	
	2014	2013	**2014**	2013
Raw materials and purchased parts	**$ 32,822**	$ 22,735	**$ 64,144**	$ 47,898
Employee costs	**28,672**	20,804	**59,579**	44,842
Amortization of property, plant and equipment and finite-life intangible assets	**4,241**	3,193	**8,358**	6,429
Others	**12,614**	6,609	**26,433**	12,633
	$ 78,349	$ 53,341	**$ 158,514**	$ 111,802

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, 2014, the foreign exchange gain included in the Corporation's selling and administrative expenses amounted to $518 (loss of $109 in 2013) while it represented a gain of $97 (gain of $411 in 2013) for the six-month period ended September 30, 2014.

Note 7. 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,	
	2014	2013	**2014**	2013
Interest expense	**$ 391**	$ 219	**$ 1,316**	$ 471
Interest accretion on governmental authorities loans	**596**	464	**1,169**	933
Interest on net defined benefit pension plan obligations	**56**	115	**117**	229
Amortization of deferred financing costs (note 13)	**76**	110	**155**	220
Standby fees	**95**	142	**201**	281
Other interest accretion expense and discount rate adjustments	**115**	24	**108**	(227)
	1,329	1,074	**3,066**	1,907
Interest income on cash and cash equivalents	**59**	111	**92**	221
	$ 1,270	$ 963	**$ 2,974**	$ 1,686

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. Furthermore, following the acquisition of APPH, the Corporation incurred restructuring charges related to the integration of APPH's operations, personnel and technology with its pre-existing operations.

For the quarter and six-month period ended September 30, 2014, the Corporation recorded restructuring charges of $763 and $1,114 respectively (none in 2013), which include employee termination benefits of $597 and $801 and other associated costs of $166 and $313, respectively. At September 30, 2014, the unpaid portion of the restructuring charges is presented under short-term provisions for $577 ($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 and six-month periods ended September 30:

	Quarters ended September 30,		Six months ended September 30,	
	2014	**2013**	**2014**	**2013**
Weighted-average number of common shares outstanding	**35,908,258**	31,525,974	**33,871,207**	31,521,584
Effect of dilutive stock options of the Corporation	**114,116**	162,048	**115,012**	156,085
Weighted-average number of common diluted shares outstanding	**36,022,374**	31,688,022	**33,986,219**	31,677,669

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 and six-month period ended September 30, 2014, 568,845 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

	September 30, 2014	March 31, 2014
Cash at banks	**$ 50,942**	$ 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 September 30, 2014, the Corporation had forward foreign exchange contracts to sell US$121.8 million at a weighted-average exchange rate of 1.0778 (Canadian dollar over U.S. dollar, "cad/usd"). As at March 31, 2014 and September 30, 2013, these contracts totalled US$127.4 million at a weighted-average exchange rate of 1.0628 cad/usd and US$115.1 million at a weighted-average exchange rate of 1.0321 cad/usd, respectively. As at September 30, 2014, these contracts mature at various dates between October 2014 and March 2018, with the majority maturing this and next fiscal years.

Interest rate swap agreements

As at September 30, 2014, March 31, 2014 and September 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 September 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 exclude 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

		September 30, 2014		March 31, 2014
Investment and other tax credits receivable	$	**7,552**	$	8,762
Sales tax receivable		**1,478**		1,761
Deposits on machinery and equipment (note 17)		**18,037**		12,868
Prepaid expenses		**2,542**		2,748
Others		**203**		782
	$	**29,812**	$	26,921

Note 13. Long-term debt

		September 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. At September 30, 2014, the Corporation used US$32,000 which bears interest at Libor plus 1.1% (US$91,300 as at March 31, 2014) and $16,200 which bears interest at the Bankers' Acceptance rate plus 1.1% (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 by an additional amount of $75 million subject to lenders' consent.	$	**52,040**	$	100,932
Governmental authorities loans, repayable in variable annual instalments, with various expiry dates until fiscal year 2030.		**47,488**		44,463
Obligations under finance leases, all bearing fixed interest rates between 3.3% and 6.5% as at September 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 $314 ($436 as at March 31, 2014).		**4,200**		5,071
Deferred financing costs, net		**(1,439)**		(1,594)
		102,289		148,872
Less: current portion		**3,659**		3,648
	$	**98,630**	$	145,224

Senior Secured Syndicated Revolving Credit Facility

On June 26, 2014, the Corporation repaid US$59.3 million ($63.6 million) of debt against its Credit Facility through the use 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 through an amount of $16.2 million drawn against the Credit Facility.

Note 14. Issued capital

For the quarter and six-month period ended September 30, 2014, variations in common shares issued are as follows:

	Quarter ended September 30, 2014			Six months ended September 30, 2014		
	Number		Issued capital	Number		Issued capital
Common shares issued and fully paid						
Opening balance	**35,881,698**	**$**	**74,705**	**31,620,482**	**$**	**26,187**
Issued for cash pursuant to the public offering and concurrent private placements	**—**		**(34)**	**4,255,871**		**48,428**
Issued for cash on exercise of stock options	**35,000**		**320**	**35,000**		**320**
Issued for cash under the stock purchase and ownership incentive plan	**11,460**		**113**	**16,805**		**169**
Closing balance	**35,928,158**	**$**	**75,104**	**35,928,158**	**$**	**75,104**

Issuance of common shares

During the quarter and six-month period ended September 30, 2014, the Corporation issued 46,460 and 4,307,676 common shares, respectively, 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 the Credit Facility. Deferred income taxes of $575 were recorded related to the issuance costs.

ii. The Corporation issued 11,460 and 16,805 common shares respectively, at weighted-average prices of $10.14 and $9.94 under the Corporation's stock purchase and ownership incentive plan for total cash considerations of $113 and $169, respectively.

iii. The Corporation issued 35,000 common shares, following the exercise of stock options for a total cash consideration of $184. The initial fair value of these stock options, amounting to $136, was credited to issued capital and debited to contributed surplus.

During the quarter and six-month period ended September 30, 2013, the Corporation issued 8,771 and 18,107 common shares respectively, at weighted-average prices of $7.55 and $7.34 under the Corporation's stock purchase and ownership incentive plan for total cash considerations of $66 and $133.

A. Stock option plan

During the quarters and six-month periods ended September 30, the number of stock options varied as follows:

	Quarter and six months ended September 30, 2014		Quarter and six months ended September 30, 2013	
	Weighted-average exercise price	**Number of stock options**	Weighted-average exercise price	Number of stock options
Balance at beginning of periods	**$9.39**	**686,001**	$3.30	259,101
Granted	**11.31**	**66,345**	—	—
Exercised	**5.27**	**(35,000)**	—	—
Balance at end of periods	**$9.77**	**717,346**	$3.30	259,101

During the quarter and six-month period ended September 30, 2014, the Corporation granted 66,345 stock options to officers and key employees (none in 2013), representing a total fair value of $252 or a weighted-average fair value per stock option of $3.80 calculated using a binomial valuation model assuming a 4.5 year expected life, expected volatility of 40%, expected forfeiture rate of 4.8%, with no expected dividend distribution and a compounded risk-free interest rate of 1.7%. The stock option plan expense for the quarter and six-month period ended September 30, 2014, amounted to $336 and $646, respectively ($27 and $63 in 2013).

B. Stock purchase and ownership incentive plan

During the quarter and six-month period ended September 30, 2014, 11,460 and 16,805 common shares were issued, respectively (8,771 and 18,107 in 2013) and 3,550 and 6,947 common shares were attributed to the participating employees (3,595 and 7,429 in 2013), under the stock purchase and ownership incentive plan. For the quarter and six-month period ended September 30, 2014, the expense related to the attributed common shares amounted to $39 and $78, respectively ($30 and $61 in 2013).

C. Stock appreciation right ("SAR") plan

During the quarter and six-month period ended September 30, 2014, 11,000 SARs were exercised (12,000 in the second quarter of 2013), no SARs were granted (none in 2013) or cancelled (none in 2013). As at September 30, 2014, 6,000 SARs were still outstanding (27,000 as at September 30, 2013) at a weighted-average granted value of $0.01 ($1.68 in 2013) which expire in August 2015.

For the quarter and six-month period ended September 30, 2014, the reversal of SAR expense amounted to $5 and $9, respectively (expense of $21 and $42 in 2013).

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

D. Deferred Share Unit ("DSU") plan

During the quarter and six-month period ended September 30, 2014, 18,333 DSUs were issued (none in 2013), no DSUs were cancelled or exercised (12,362 were exercised in the second quarter of 2013). As at September 30, 2014, 83,158 DSUs were outstanding (62,940 as at September 30, 2013).

For the quarter and six-month period ended September 30, 2014, DSU expense amounted to $64 and $85, respectively ($59 and $117 in 2013).

E. Performance Share Unit ("PSU") plan

On August 15, 2014, the Corporation adopted a PSU plan as part of a long-term incentive plan for management and key employees. The PSU plan is non-dilutive and is settled in cash. The value of each PSU is equal to the volume-weighted average trading price of one common share of the Corporation listed on the TSX for the five consecutive trading days immediately preceding the day on which the value is to be determined ("PSU value"). PSUs vest over a period of three years, following the date of issuance, and the holder is entitled to receive in cash the PSU value for each PSU vested, conditional on the achievement of selected financial targets, and are payable at the expiration date.

The PSUs are expensed on an earned basis and their costs are determined using a valuation model and remeasured at each reporting period. The related compensation expense is included in selling and administrative expenses and its counterpart is accounted for in accounts payable and accrued liabilities until the PSUs are exercised at termination date.

For the quarter ended September 30, 2014, the Corporation granted 115,879 PSUs. During the quarter, a PSU expense of $383 was recorded. At September 30, 2014, 115,879 PSUs were outstanding.

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 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**

	Exchange differences on translation of foreign operations	Cash flow hedges	Hedge of net investments in foreign operations	Total
Balance as at June 30, 2013	**$ 7,008**	**$ (2,840)**	**$ (1,317)**	**$ 2,851**
Other comprehensive income (loss)	(2,304)	2,105	411	212
Balance as at September 30, 2013	**$ 4,704**	**$ (735)**	**$ (906)**	**$ 3,063**
Balance as at March 31, 2013	**$ 3,215**	**$ 63**	**$ (631)**	**$ 2,647**
Other comprehensive income (loss)	1,489	(798)	(275)	**416**
Balance as at September 30, 2013	**$ 4,704**	**$ (735)**	**$ (906)**	**$ 3,063**

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

For the quarters and six-month periods ended September 30, the net change in non-cash items related to continuing operations is detailed as follows:

	Quarters ended September 30,		Six months ended September 30,	
	2014	**2013**	**2014**	**2013**
Accounts receivable	**$ (1,495)**	$ 3,090	**$ 2,243**	$ 9,705
Income tax receivable	**(359)**	(112)	**(684)**	121
Inventories	**2,314**	1,094	**2,072**	(434)
Other current assets	**2,037**	693	**2,278**	692
Accounts payable and accrued liabilities, accounts payable – other and other liabilities	**(1,362)**	(4,162)	**(9,909)**	(9,703)
Provisions	**304**	(522)	**(574)**	(417)
Progress billings	**1,783**	(1,353)	**1,572**	(4,750)
Customer advances	**4,839**	—	**9,826**	—
Income tax payable	**(659)**	15	**47**	(776)
Effect of changes in exchange rate[1]	**736**	(396)	**(156)**	264
	$ 8,138	$ (1,653)	**$ 6,715**	$ (5,298)

[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 September 30, 2014, these outstanding purchase orders amounted to $54,656 ($42,203 as at March 31, 2014) net of an amount of $18,037 ($12,868 as at March 31, 2014) in related deposits on machinery and equipment made which 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 been set in the second quarter of fiscal 2016.

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 September 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:

At September 30,	2014 Canada	2014 U.S.	2014 U.K.	2014 Total	2013 Canada	2013 U.S.	2013 Total
Property, plant and equipment, net	**$ 69,822**	**$ 18,930**	**$ 11,427**	**$ 100,179**	$ 66,436	$ 11,994	$ 78,430
Finite-life intangible assets, net	**34,757**	**4,219**	**20,193**	**59,169**	31,140	239	31,379
Goodwill	**13,838**	**8,637**	**61,097**	**83,572**	13,838	5,417	19,255

Quarters ended September 30,	2014 Canada	2014 U.S.	2014 U.K.	2014 Total	2013 Canada	2013 U.S.	2013 Total
Sales	**$ 50,597**	**$ 13,241**	**$ 20,248**	**$ 84,086**	$ 48,401	$ 8,001	$ 56,402
Export sales(1)				**$ 44,508**			$ 28,967

During the quarters ended September 30, 2014 and 2013, 53% and 59% of the Corporation's sales, respectively, were made to U.S. customers.

Six months ended September 30,	2014 Canada	2014 U.S.	2014 U.K.	2014 Total	2013 Canada	2013 U.S.	2013 Total
Sales	**$ 102,515**	**$ 27,424**	**$ 40,555**	**$ 170,494**	$ 98,923	$ 20,451	$ 119,374
Export sales(1)				**$ 84,145**			$ 59,240

During the six-month periods ended September 30, 2014 and 2013, 51% and 61% of the Corporation's sales, respectively, were made to U.S. customers.

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