Management Discussion and Analysis of Financial Position and Operating Results

This Management Discussion and Analysis of Financial Position and Operating Results (MD&A) is intended to provide an overview of how the financial position of Héroux-Devtek Inc. ("Héroux-Devtek" or "the Company") changed between March 31, 2009 and June 30, 2009. It also compares the operating results and cash flows for the first quarter ended June 30, 2009 to those for the same period in the previous year. It should be read in conjunction with the audited consolidated financial statements for the year ended March 31, 2009 and the related MD&A, both available on the Company's website at www.herouxdevtek.com, and with the unaudited interim consolidated financial statements to June 30, 2009. Héroux-Devtek's consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). The Company reports its results in Canadian dollars. All amounts in this MD&A are in Canadian dollars unless otherwise indicated.

Forward-Looking Statements

In the interest of providing shareholders and potential investors with information regarding Héroux-Devtek, including management's assessment of future plans and operations, certain statements in this MD&A are forward-looking statements subject to risks, uncertainties and other important factors that could cause the Company's actual performance to differ materially from those expressed in or implied by such statements.

Such factors include, but are not limited to: the impact of general economic conditions particularly in Canada and the United States; industry conditions including changes in laws and regulations; increased competition; the lack of availability of qualified personnel or management; availability of commodities and fluctuations in commodity prices; foreign exchange or interest rate fluctuations; stock market volatility; and the impact of accounting policies issued by Canadian, US and international standard setters. Some of these factors are further discussed under Risks and Uncertainties in the Company's MD&A for the year ended March 31, 2009. Readers are cautioned that the foregoing list of factors that may affect future growth, results and performance is not exhaustive, and undue reliance should not be placed on forward-looking statements.

Although the Company believes that the expectations conveyed by the forward-looking statements are based on information available to the Company on the date such statements were made, there can be no assurance that such expectations will prove to be correct. All subsequent forward-looking statements, whether written or orally attributable to the Company or persons acting on its behalf, are expressly qualified in their entirety by these cautionary statements. Unless otherwise required by applicable securities laws, the Company expressly disclaims any intention, and assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

OVERVIEW

Héroux-Devtek designs, develops, manufactures and repairs systems and components for two main market segments: Aerospace and Industrial. The Aerospace segment comprises the following:

- landing gear products;
- aerostructure products;
- other aerospace products.

The Industrial segment includes:

- industrial gas turbine products;
- other industrial products, including products for the wind energy market.

The impact of the worldwide financial turmoil and economic situation is discussed later in this MD&A (see under Impact of the International Financial Crisis and Economic Situation). For the quarter ended June 30, 2009, this has affected particularly the Company's commercial sales in the Aerospace and Industrial segments. However, this impact on sales was mainly offset by the military sector sales and the weakening of the Canadian dollar relative to the US dollar in this quarter, compared to the same quarter last year.

RESULTS OF OPERATIONS

Consolidated Sales

Consolidated sales for the quarter ended June 30, 2009 decreased by 0.5% to $82.2 million from $82.6 million for the same period last year.

The decrease in the first quarter sales this year was mainly due to decelerations of production schedules and push-outs experienced in the commercial aerospace business jet and helicopter markets, and to deteriorating market conditions in the Industrial market. This decrease was mainly offset by the increase in military sales and the favourable impact on sales of the fluctuations in the value of the Canadian dollar versus the US dollar in the quarter. The weakening of the Canadian dollar relative to the US dollar had a favourable impact of $7.3 million or 8.8% on the first quarter sales this year, when compared to last year's first quarter.

The Company's sales for the Aerospace and Industrial segments were as follows:

Segment	Quarters ended June 30			
	2009	2008	VARIANCE	
	($'000)	($'000)	($'000)	%
Aerospace				
Military				
Military sales to government	16,567	14,367	2,200	15.3
Military sales to civil customers	31,319	24,381	6,938	28.5
Total Military	47,886	38,748	9,138	23.6
Total Commercial	27,297	35,245	(7,948)	(22.6)
Total Aerospace	75,183	73,993	1,190	1.6
Total Industrial	6,977	8,578	(1,601)	(18.7)
Total	82,160	82,571	(411)	(0.5)

Aerospace Segment

Sales for the Aerospace segment, shown in the table above, can be broken down by product as follows:

Product	Quarters ended June 30			
	2009 ($'000)	2008 ($'000)	VARIANCE ($'000)	%
Landing Gear	48,118	46,197	1,921	4.2
Aerostructure	26,742	27,496	(754)	(2.7)
Other aerospace products	323	300	23	7.7
Total	75,183	73,993	1,190	1.6

For the first quarter ended June 30, 2009, overall sales for the Aerospace segment were up 1.6% to $75.2 million from $74.0 million for the same period last year.

During the first quarter, Landing Gear sales increased by $1.9 million or 4.2% to $48.1 million relative to the same period last year. This resulted mainly from the positive impact of the weakening Canadian dollar relative to the US dollar and increased military repair and overhaul sales. The improved throughput in Landing Gear on manufacturing military sales during the quarter also had a positive impact. These were partially offset by decelerations of production schedules which reduced commercial business jet and helicopter sales and, to a lesser degree, large commercial sales.

First quarter Aerostructure sales were $26.7 million, $0.8 million or 2.7% lower than last year. Additional sales coming from the Joint Strike Fighter (JSF) F-35 ramped-up program were more than offset by reduced aftermarket sales and by reduced commercial business jet and regional jet sales. The Canadian dollar fluctuations relative to the US dollar in the first quarter this year also had a positive impact on Aerostructure sales, compared to the same period last year.

Industrial Segment

Sales for the Industrial segment were as follows:

Product	Quarters ended June 30			
	2009 ($'000)	2008 ($'000)	VARIANCE ($'000)	%
Gas Turbine	3,963	4,120	(157)	(3.8)
Other Industrial	3,014	4,458	(1,444)	(32.4)
Total	6,977	8,578	(1,601)	(18.7)

First quarter sales for the Industrial segment totalled $7.0 million this year, 18.7% lower than last year. Due to market conditions, overall industrial sales were negatively impacted in Gas Turbine, Wind Energy and heavy equipment sales. This decrease in sales was partially offset by the favourable Canadian dollar fluctuation relative to the US dollar in the first quarter this year.

Sales by Destination

The Company's sales by destination were as follows:

Destination	Quarters ended June 30	
	2009	2008
Canada	29%	36%
US	69%	63%
International	2%	1%
	100%	100%

The change in the sales-by-destination mix in the quarter reflects the increase in Landing Gear military sales to US customers and the overall decrease in commercial sales to Canadian customers.

Gross Profit

For the quarter ended June 30, 2009, consolidated gross profit as a percentage of sales was 16.2%, down 2.1% from 18.3% last year.

In the first quarter of this year, gross profit was negatively impacted by the decelerations of production schedules and push-outs in the commercial business, particularly in the Aerostructure division. Reduced Industrial sales only marginally affected margins due to the effective cost reduction plan implemented. This decrease in gross profit margin was somewhat offset by improved margins at the Landing Gear Division mainly due to the overall increase in sales and higher production efficiency during the quarter. In addition, last year's first quarter gross profit was impacted by a more favourable sales mix.

For the quarter ended June 30, 2009, the Canadian dollar fluctuations relative to the US dollar had basically no impact on gross profit in dollars but a negative impact of 1.3% on the gross profit margin, expressed as a percentage of sales, compared to the same period last year. Besides the natural hedging from the purchase of materials made in US dollars, the Company uses forward foreign exchange sales contracts to mitigate the risks related to Canadian currency fluctuations against the US currency and its impact on the Company's gross profit.

Selling and Administrative Expenses

First quarter selling and administrative expenses were as follows:

	Quarters ended June 30	
	2009	2008
Selling and administrative expenses ($'000)	5,868	5,318
% of sales	7.1	6.4

First quarter selling and administrative expenses were $0.6 million higher than last year and 0.7% higher as a percentage of sales. Selling and administrative expenses were increased by a $0.3 million loss on currency translation on net monetary items in this quarter, compared to a break-even for the same period last year.

Operating Income

Aerospace Segment

Aerospace operating income was $6.7 million or 8.9% of sales in the first quarter this year, compared to $8.4 million or 11.4% of sales for the comparative quarter last year. The reduction in operating income this year mainly reflects the negative impact on margin from the reduced commercial aerospace sales and less favourable sales mix explained above.

Industrial Segment

The operating income of $0.8 million or 11.4% of sales for the first quarter of this year compares to $1.4 million or 16.3% of sales for the same period last year. It reflects the impact from market conditions on Industrial sales and the related gross profit margin explained above.

Financial Expenses

Financial expenses for both quarters ended June 30, 2009 and 2008, were $1.2 million, with the Company's debt level being basically the same for both periods. The favourable impact of lower interest rates on debt this quarter was offset by reduced interest revenues.

Income Tax Expense

The Company had an income tax expense of $1.8 million for the quarter ended June 30, 2009, compared to an expense of $2.9 million last year. The Company's effective income tax rate was 27.8% compared to its Canadian blended statutory rate of 30.8%. The difference can be explained by the favourable impact on the Company's effective income tax rate coming from future income tax adjustments due to changes in the Canadian income tax rate ($0.2 million) and permanent differences ($0.1 million), and the negative impact of a higher US income tax rate for the Company's US subsidiaries ($0.1 million).

The Company's effective income tax rate for the first quarter ended June 30, 2008 was 34%, compared to its Canadian blended statutory rate of 31.1%. The difference can be explained by the increased income from the Company's US subsidiaries with higher income tax rate and the impact of future tax adjustments ($0.3 million), net of the favourable impact of permanent differences ($0.2 million).

Net Income

	Quarters ended June 30	
	2009	2008
Net income ($'000)	4,542	5,698
Earnings per share – basic & diluted ($)	0.15	0.18

The Company posted net income of $4.5 million for the first quarter ended June 30, 2009, compared to net income of $5.7 million for the quarter ended June 30, 2008. This reduction in net income reflects essentially the decrease in sales and different sales mix in the Aerostructure and Gas Turbine Components divisions.

Earnings per share figures are based on weighted averages of 30,945,533 common shares outstanding for the first quarter of this year and 31,645,381 for the same period last year. The decrease in the number of shares is essentially due to the 941,000 shares redeemed under the normal course issuer bid launched by the Company since November 2008 to June 30, 2009, less the issuance of common shares, including 20,380 shares during the quarter ended June 30, 2009, under the Company's stock purchase and ownership incentive plan (see note 11 to the Interim Consolidated Financial Statements).

On August 5, 2009, the date of this MD&A, the Company had 30,660,893 common shares outstanding.

LIQUIDITY AND CAPITAL RESOURCES

Operating Activities

The Company generated cash flows from operations and had cash flows relating to its operating activities as follows:

	Quarters ended June 30	
	2009 ($'000)	2008 ($'000)
Cash flows from operations	11,830	11,719
Net change in non-cash items related to operations	(25,443)	(9,175)
Cash flows relating to operating activities	(13,613)	2,544

For the first quarter ended June 30, 2009, cash flows from operations were $11.8 million, $0.1 million higher than for the same period last year. The net change of $25.4 million in non-cash items can be explained by a $16.7 million reduction in accounts payable and accrued liabilities and other liabilities, the inventory increase of $7.3 million due to certain aerospace program decelerations and push-outs along with the purchase of certain raw materials for military and new commercial aerospace contracts, and the payment of income taxes of $2.9 million.

The net change of $9.2 million in non-cash items for the quarter ended June 30, 2008, can be explained by a $3.1 million increase in accounts receivable reflecting higher sales by quarter-end as of that date, a $3.8 million increase in inventories (before the inventory adjustment following the new accounting guidelines last year) in line with upcoming business activity in the first quarter last year, and a reduction of $3.6 million in accounts payable and accrued liabilities and other liabilities. These amounts were somewhat offset by a decrease of $1.1 million in other receivables.

Investing Activities

The Company's investing activities were as follows:

	Quarters ended June 30 2009 ($'000)	2008 ($'000)
Additions to property, plant and equipment	(4,229)	(4,039)
Net increase in finite-life intangible assets	(545)	(1,203)
Proceeds on disposal of property, plant and equipment	2	-
Cash flows relating to investing activities	(4,772)	(5,242)

First quarter additions to property, plant and equipment totalled $4.2 million this year, compared to $4.0 million last year. In the first quarter this year, this amount includes the payment of property, plant and equipment received and accounted for in the last quarter of fiscal 2009, net of the capital expenditures financed through capital leases (see Consolidated Balance Sheets section below and note 6 to the Interim Consolidated Financial Statements). Capital expenditures of about $20 million are planned for the current fiscal year, mostly for normal maintenance projects and also for certain investments related to the JSF program in our Texas facilities.

In the first quarter this year, the $0.5 million net increase in finite-life intangible assets represents mainly the increase of capitalized development costs for aerospace long-term contracts compared to $1.2 million last year, mainly due to the implementation of new accounting guidelines on inventories.

Financing Activities

The Company's financing activities were as follows:

	Quarters ended June 30 2009 ($'000)	2008 ($'000)
Repayment of long-term debt	(1,834)	(1,417)
Repurchase of common shares	(1,837)	-
Issuance of common shares	80	80
Cash flows relating to financing activities	(3,591)	(1,337)

During the quarter ended June 30, 2009, the Company redeemed 407,000 common shares under the normal course issuer bid launched in November 2008 at an average price of $4.51 (see Note 11 to the Interim Consolidated Financial Statements).

Stock Option Plan

The Company has a stock option plan whereby options to purchase common shares are issued to officers and key employees. At June 30, 2009, the Company had 1,309,221 outstanding stock options at a weighted-average exercise price of $6.07 that will expire over the next six years.

During the quarter ended June 30, 2009, 75,000 options were cancelled (65,000 during the same quarter last year), having reached their expiry dates.

An aggregate of 2,808,257 shares are reserved for issuance under this plan, of which 314,718 had not yet been granted at June 30, 2009. The Company also has a stock purchase and ownership incentive plan for management employees, and a stock appreciation rights plan for its non-employee directors. (See Note 11 to the interim consolidated financial statements).

Consolidated Balance Sheets

The following table itemizes and explains the significant changes to the consolidated balance sheets between March 31, 2009 and June 30, 2009:

Item	Change ($ millions)	Explanation
Cash and cash equivalents	(24.6)	See consolidated statements of cash flows.
Accounts receivable	(6.3)	This includes the impact of the strengthening of the Canadian dollar since March 31, 2009, on US denominated accounts receivable ($3.0 million).
Inventories	7.3	Inventories were impacted by certain aerospace program decelerations and push-outs, along with the purchase of certain raw materials for military and new commercial contracts, net of the impact of a lower US exchange rate to convert the net assets of self-sustaining US subsidiaries ($2.5 million).
Other current assets	1.5	Essentially reflects the variation in the Company's balance sheets of short-term derivative financial instruments measured at fair value.

Item	Change ($ millions)	Explanation
Property, plant and equipment, net	(7.8)	Due to: • Purchase of capital assets ($2.0 million); Net of: • Amortization ($5.1 million); • A lower US exchange rate used to convert the net assets of self-sustaining US subsidiaries ($4.7 million).
Finite-life intangible assets, net (includes a $4.8 million net backlog)	(0.2)	Due to: • Net increase in finite-life intangible assets ($0.5 million), representing capitalized aerospace development costs for long-term contracts. Net of: • The amortization ($0.2 million) of the underlying value of the net backlog and the lower US exchange rate used to convert the net assets of self-sustaining US subsidiaries ($0.5 million).
Other assets	3.7	Essentially reflects the variation in the Company's balance sheets of long-term derivative financial instruments measured at fair value.
Accounts payable and accrued liabilities	(17.8)	Mainly reflects an overall reduction of days in accounts payable and accrued liabilities. It also reflects the impact of the lower US exchange rate used to convert the US denominated accounts payable and accrued liabilities ($1.9 million).
Accounts payable - other	(12.3)	Mainly reflects the payment of property, plant and equipment received and accounted for in the last quarter of fiscal year 2009 and the variation in the Company's balance sheets of short-term derivative financial instruments measured at fair value.
Long-term debt (including current portion)	(0.2)	Due to: • New capital lease obligations related to equipment ($6.3 million); • Interest accretion on non-interest bearing loans ($0.2 million); Net of: • Capital repayments of long-term debt ($1.8 million); and • A lower US exchange rate used to convert the net assets of self-sustaining US subsidiaries ($4.9 million)

Item	Change ($ millions)	Explanation
Other long-term liabilities	(5.6)	Mainly reflects the variation in the Company's balance sheet of long-term derivative financial instruments measured at fair value.
Capital stock	(1.2)	Reflects the common shares issued under the Company's stock purchase and ownership plan ($0.1 million) net of the book value of the common shares repurchased under the Company's Normal Course Issuer Bid ($1.3 million).
Accumulated other comprehensive loss	3.4	Represents the counterpart of the impact of foreign exchange rate fluctuations on the net assets of self-sustaining US subsidiaries, and the unrealized gains (losses), net of taxes, on the fair value of financial instruments designated as cash flow hedges.
Retained earnings	4.0	See consolidated statements of changes in shareholders' equity.

At June 30, 2009 and March 31, 2009, the Company's working capital ratio, cash and cash equivalents, long-term debt-to-equity ratio and net debt-to-equity ratio were as follows:

	June 30, 2009	March 31, 2009
Working capital ratio	2.32:1	1.86:1
Cash and cash equivalents	$15.2 million	$39.8 million
Long-term debt-to-equity ratio	0.41:1	0.42:1
Net debt-to-equity ratio[(1)]	0.35:1	0.24:1

(1): Defined as total long-term debt, including the current portion, less cash and cash equivalents, over shareholders' equity.

OFF-BALANCE SHEET ITEMS AND COMMITMENTS

The Company had entered into operating leases amounting to $8.2 million as at June 30, 2009 ($9.2 million as at March 31, 2009), essentially for machinery and equipment. All these amounts are repayable over the next seven years. At June 30, 2009, the Company also had purchase commitments totalling $8.9 million ($4.7 million to March 31, 2009), mainly for machinery and equipment, for which deposits of $2.9 million ($1.1 million to March 31, 2009) on machinery and equipment were made and are included in the Company's other receivables. These commitments include purchase commitments related to the JSF program (see "Investing Activities", above).

At June 30, 2009, the Company had entered into forward foreign exchange sales contracts to sell US$165.3 million at a weighted-average exchange rate of 1.1440

(US$162.8 million at a weighted-average exchange rate of 1.1396 as at March 31, 2009 and US$141.8 million at a weighted-average exchange rate of 1.0787 as at June 30, 2008) for the purpose of foreign exchange risk management, essentially related to its export sales. These contracts mature at various dates between July 2009 and March 2014, with the majority maturing in fiscal 2010 and 2011.

At June 30, 2009, the Company had also entered into forward foreign exchange sales contracts totalling US$11.3 million at a weighted-average exchange rate of 1.2397 maturing over the next four fiscal years (the majority of which over the next two fiscal years) to cover foreign exchange risk related to certain embedded derivatives.

IMPACT OF THE INTERNATIONAL FINANCIAL CRISIS AND ECONOMIC SITUATION

In light of the financial and economic market situation, the Company is carefully monitoring its strategy and risk management. Although the results of the Company are positive, some effects are becoming apparent, prompting management to take a conservative approach in its daily decisions.

In the first quarter ended June 30, 2009, the Company's results were impacted by certain decelerations of product schedules and push-outs on commercial aerospace programs as well as by the impact from softer conditions in industrial markets. However, the Company's backlog is still strong but the prevailing business environment, and the push-backs or cancellations of certain additional purchase orders, could have an adverse impact on upcoming results. It is worth mentioning that the Company is striving to maintain a well-balanced portfolio between commercial and military aerospace sales, which should help it better manage any potential slowdown. This being said, the impact of OEM announcements over recent quarters will adversely impact the aerospace commercial market while the military side of the Company's business is still solid.

From a financial standpoint, the Company has a healthy balance sheet. The Company is presently meeting all of its financial covenants and expects to do so for the next twelve months. Capital expenditure requirements are closely monitored by management. The Company does not expect to have any liquidity issues, considering that the banks' Credit Facilities are extended by a syndicate of four Canadian banks, with acceptable credit ratings, and that the major customers of the Company are worldwide leaders in their respective fields.

Considering the above, the Company maintains its near-term outlook (see Outlook section below) and does not foresee any short-term elements that could jeopardize the going concern of its operations. That being said, and understanding that the Company does not have all the visibility that it usually has in its markets, the Company will nevertheless continue to closely monitor the situation (see Risks and Uncertainties and Outlook sections below).

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

In February 2008, the Accounting Standard Board (“AcSB”) confirmed that Canadian GAAP for publicly accountable entities will be converged with IFRS effective in calendar year 2011. IFRS uses a conceptual framework similar to Canadian GAAP, but there are significant differences in recognition, measurement and disclosures. In the period leading up to the changeover, the AcSB is expected to continue to issue accounting standards that are converged with IFRS, thus mitigating the impact of adopting IFRS at the changeover date. First reporting under IFRS is required for our interim and annual financial statements beginning on April 1, 2011. We have developed a changeover plan to convert our Consolidated Financial Statements to IFRS, as described in our fiscal year 2009 annual report. Our IFRS project is progressing according to plan. We continue to monitor standards to be issued by the IASB, but it is difficult to predict the IFRS that will be effective at the end of our first IFRS reporting period, as the IASB work plan anticipates the completion of several projects in calendar years 2010 and 2011. We also continue to provide training to key employees and monitor the impact of the transition on our business practices, systems and internal controls over financial reporting. We will provide updates as further progress is achieved and conclusions are reached.

CONTROLS AND PROCEDURES

The purpose of internal controls over financial reporting is to provide reasonable assurance as to the reliability of the Company’s financial reporting and the preparation of its financial statements in accordance with Canadian GAAP.

No changes that were made to our internal controls over financial reporting during the quarter ended June 30, 2009, have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

RISKS AND UNCERTAINTIES

Héroux-Devtek operates in industry segments with a variety of risk factors and uncertainties that could have a material adverse effect on the Company’s business, financial condition and results of operations. Such risks and uncertainties include, but are not limited to, those mentioned below, which are more fully described in the Company’s MD&A for the year ended March 31, 2009.

- Reliance on large customers
- Availability and cost of raw materials
- Operational risks
- Impact of Terrorist activity
- General economic conditions
- Military spending
- Foreign currency fluctuations
- Liquidity and access to capital resources
- Restrictive debt covenants

- Changing interest rates
- External business environment
- Warranty casualty claim losses
- Environmental matters
- Collective bargaining agreements
- Skilled labour

OUTLOOK

The commercial aerospace market remains affected by persistent economic uncertainty. Given reduced levels of new orders, as well as cancellations or deferrals, production schedules are being reduced in the business jet, helicopter and, to a lesser extent, large commercial aircraft segments. The military aerospace market remains solid with major programs progressing as expected, particularly the JSF program, for which the US Department of Defense recently recommended increasing the number of aircraft to be purchased for the US government's 2010 fiscal year. Still, the new US administration may reduce funding of subsequent military budgets. The power generation industry is impacted over the short-term by the financial crisis and economic situation given the significant capital requirements of these projects. The industrial gas turbine market is also affected by low natural gas prices, while infrastructure issues associated with the distribution of power has softened activity in the wind energy market, which still holds considerable potential over the mid-term.

Given decelerations of production schedules as well as order cancellations and push-outs experienced in the commercial aerospace market, Héroux-Devtek's funded (firm orders) backlog has declined to $468 million as at June 30, 2009, down from $485 million three months earlier. Despite strong customer relationships and a backlog that nevertheless remains solid, the Company is not anticipating any significant sales growth for fiscal 2010 considering the prevailing economic environment. It is also important to remember that the second quarter has traditionally been a somewhat slower period owing to seasonal factors, such as plant shutdowns and summer vacations.

Furthermore, in light of the recent volatility of the Canadian dollar and the uncertainty surrounding its continuous fluctuation versus the US currency, the Company will seek further productivity gains and streamline its cost base to remain globally competitive. To this effect, during the first quarter, the Company proactively implemented a cost reduction plan to cope with prevailing economic conditions. However, time schedules have been reduced at some facilities while the three main business units in Longueuil, Kitchener and Texas have not been significantly affected.

Capital expenditures for fiscal 2010 are expected to be approximately $20 million, mostly for normal maintenance projects but also certain investments related to the JSF program. After investing more than $100 million over the last three years, the Company plans to optimize these state-of-the-art investments in the coming quarters.

Héroux-Devtek still intends to pursue acquisition opportunities that complement its existing core Landing Gear and Aerostructure operations, supported by a healthy balance sheet and Credit Facilities extending up to $125 million.

Additional Information and Continuous Disclosure

This MD&A was approved by the Audit Committee and the Board of Directors on August 5, 2009. Updated information on the Company, including the annual information form, can be found on the SEDAR web site at www.sedar.com.