



PRESS RELEASE

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FOR IMMEDIATE RELEASE

HÉROUX-DEVTEK REPORTS YEAR-END RESULTS

Longueuil, Québec, June 09, 2004—Héroux-Devtek Inc. (TSX: HRX), a leading Canadian manufacturer of aerospace and industrial products, today reported a net loss of \$2.2 million or a loss of \$0.09 per share for the fiscal year ending March 31, 2004, compared to net income of \$154,000 or \$0.01 per share for the same period last year. The net loss for the year included non-recurring items for restructuring charges of \$1.1 million with an impact on net income of \$694,000. Therefore, net loss, excluding non-recurring items, for the fiscal year amounted to \$1.5 million or \$0.06 per share. Non-recurring items include restructuring charges related to the transfer of the Tampa operations to Cincinnati. Héroux-Devtek President and CEO, Gilles Labbé, said intensive cost reduction efforts, recent successes in securing new contracts, the profitable acquisition of Progressive Incorporated and increased business activity in certain segments provide the Company with prudent optimism for the current fiscal year.

Sales for fiscal 2004 decreased 18.2% to \$213.2 million, compared to \$260.6 million a year ago. This decrease is primarily attributable to the stronger Canadian dollar and the reduced business activity in the Landing Gear and the Gas Turbine Component Divisions.

Financial highlights

(in thousands of dollars, except per share data)

	Quarters ended		Years ended	
	March 31		March 31	
	2004	2003	2004	2003
Sales	62,428	69,778	213,209	260,631
Operating income (loss)	1,388	5,114	(1,388)	11,036
Net income (loss) before restructuring charges and goodwill impairment	1,025	2,660	(1,518)	6,621
Net income (loss)	1,025	1,061	(2,212)	154
Per share (\$)	0.04	0.04	(0.09)	0.01

FISCAL 2004 HIGHLIGHTS

- In fiscal year 2004, sales were down 18.2% or \$47.4 million mainly due to the stronger Canadian dollar which accounted for 5.9% or \$15.5 million. Other main factors contributing to the year's sales decrease included the lower demand for civil aerospace landing gear products and for industrial gas turbine products.
- The year's operating loss of \$1.4 million, compared to operating income of \$11.0 million last year, is mainly due to the negative impact on the Company's gross profit of the stronger Canadian dollar and of the reduced business volume.

“These negative effects were somewhat compensated by the completion of right sizing operations and the reduction of fixed manufacturing overhead costs by closing three plants (Tampa, Metro and DALs) and integrating the related operations into other facilities,” commented Mr. Labbé. “These initiatives were taken early in the year in response to the new economic environment in the civil aerospace and industrial markets.”

- The Company’s financial position remains strong. In fact, the cash position at March 31, 2004 amounted to \$58.6 million while the long-term debt amounted to \$59.5 million. The long-term debt-to-equity ratio was 0.49:1, allowing the Company to have an important advantage over its competitors.
- The Company secured long-term contacts in the military segment of the **aerospace** and **defence division**. Of particular note is the renewal of the U.S. Air Force repair and overhaul contract for a 10-year period valued at \$140 million.
- Effective April 1, 2004, Héroux-Devtek acquired Progressive Incorporated, a profitable Texas-based operation involved in the manufacturing of large structural components for military aircraft. Post-acquisition, the Company continues to maintain a strong balance sheet with a cash position of \$37.0 million and a long-term debt-to-equity ratio of 0.70:1 which compares favourably to those in the industry.
- Overall fourth quarter sales increased 38% over the third quarter.

Fourth Quarter

As anticipated, the Company reported a profit due to strong deliveries in the fourth quarter, mainly at the Landing Gear and Logistics & Defence Divisions. The Gas Turbine Division also increased deliveries in the fourth quarter, but continues to work on improving manufacturing productivity following the transfer of the Tampa operations to Cincinnati. This division did not return to profitability, as expected. The Aerostructure division was affected by low demand and significant unused manufacturing capacity. Nonetheless, overall fourth quarter sales increased 38% over the third quarter. Net income for the quarter ending March 31, 2004 was \$1.0 million or \$0.04 per share compared to \$1.1 million or \$0.04 per share for the same period last year.

Despite the improvement during the fourth quarter, overall profitability in fiscal 2004 remained below acceptable levels. “With the overall climate to reduce costs, we must meet current market realities and significantly improve our operational performance in order to improve profitability. We are encouraged by the fourth quarter’s increased business activity,” commented Mr. Labbé.

Sector Results

Sales in the **aerospace and defence** sector declined by 16.6% in fiscal 2004 to \$191.2 million from \$229.2 million the previous year. Civil aerospace sales were down 15.3%, mainly due to the completion of the DALs spare parts contracts for out-of-production aircraft, persistent weak demand for large civil aerospace products, and completion of a large contract for helicopter parts manufactured at the Laval plant. These factors were somewhat offset by growth in engineering sales to \$6.0 million from \$3.5 million last year, related to military programs being carried out by commercial customers. Military sales declined 21.6% year-over-year to \$61.8 million, mainly due to reduced demand under the KC-135R program, completion of the P-3 landing gear retrofit program for the U.S. Navy, and a drop in military repair and overhaul deliveries. However, manufacturing-process reengineering initiatives introduced at the end of the third quarter succeeded in increasing military repair and overhaul productivity by about 30% by year-end, and are expected to generate a further improvement in fiscal 2005.

Industrial sector sales, which consisted almost exclusively of industrial gas turbine sales, decreased to \$22.0 million from \$31.4 million last year. This decline was due to the significant reduction in the industrial gas turbine market.

Outlook

“While we began to see more light at the end of the tunnel by fiscal year end, low demand and significant unused manufacturing capacity continue to affect the aerospace and defence sector. With manufacturing activities down from previous years, we have the breathing space to improve our manufacturing processes now, in preparation for the anticipated market recovery. Our markets began to firm in the fourth quarter and by year-end, we had increased our share of the military landing gear and aerostructure markets and made inroads into new markets for our Gas Turbine Components Division. Our customers want us to become an integrator, providing a complete product with related services, rather than simply components. This trend is exemplified by our growing engineering sales. As such, we have announced the expansion of our Laval plant in fiscal 2005 to accommodate test facilities for small landing gear, covering jet fighters, business aircraft and regional jets.

While the Gas Turbine Division increased deliveries in the fourth quarter, efforts are focused on enhancing productivity following the transfer of the Tampa operations to Cincinnati. Low demand and significant unused manufacturing capacity continue to affect the Aerostructure Division in the **aerospace** and **defence sector**.

Primarily due to the Progressive acquisition, we expect sales to rise in fiscal 2005 mostly in the Aerostructure Division. Progressive will provide profitable growth and further customer diversification through its excellent reputation with the world's largest military O.E.Ms. The military sector continues to present good opportunity, and we plan to develop the commercial aerospace sector. Combined with cost reduction initiatives and recent new contracts, these factors provide optimism going forward," concluded Mr. Labbé.

Conference Call

Héroux-Devtek Inc. will hold a conference call to discuss these results today at 10:00 A.M. Eastern Time. Interested parties can join the call by dialing (514) 940-2795 (Montreal or overseas) or 1-800-814-3911 (elsewhere in North America). The conference call can also be accessed via live webcast at 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 1-877-289-8525 and entering the passcode 21050884# on your phone. This tape recording will be available on Wednesday, June 9 as of noon until 11:59 PM on Wednesday, June 16.

Profile

Héroux-Devtek Inc., a Canadian company, specializes in the design, development, manufacture and repair of aerospace and industrial products. The Company's head office is located in Longueuil, Québec. Héroux-Devtek operates nine business units grouped under four divisions: the Landing Gear Division, the Aerostructure Division, the Gas Turbine Components Division and the Logistics and Defence Division. Approximately 75% of the Company's sales are outside Canada, mainly in the United States. Héroux-Devtek's shares trade on the Toronto Stock Exchange under the symbol HRX.

Forward-looking statement

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 Company. 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 Company'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.

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Note to readers: Complete financial statements and Management's Discussion & Analysis will be available as of Wednesday, June 9, 2004 on Héroux-Devtek's website at www.herouxdevtek.com