



## PRESS RELEASE

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

**Contact:** Maison Brison  
Rick Leckner  
Tel.: (514) 731-0000

**FOR IMMEDIATE RELEASE**

---

## **Héroux-Devtek Positioned to Benefit from Recovering Aerospace Markets Shareholders told primary 2004 objective is a return to profitability**

**Montréal, Québec, September 2, 2004** — Héroux-Devtek Inc. (TSX: HRX), a leading Canadian manufacturer of aerospace and industrial products, today told shareholders attending its annual general meeting that while fiscal 2003-2004 experienced its share of challenges, there were also definite signs of recovery in the Company's markets. President and CEO, Gilles Labbé stated that Héroux-Devtek is positioned to capture some of this anticipated business, and has already increased its market share in some of its segments. "While it was a difficult year in terms of immediate challenges, we faced these challenges amid a general, growing sense of optimism. Markets that have been in a downturn for the past few years showed signs of bottoming out last year. Nonetheless, it is prudent to remain cautiously optimistic for the current year."

The past year's financial results reflected a general climate of lower demand. Three of the Company's five markets have been in a downturn for some time, the exceptions being the regional jet and military markets. There were certain operational issues during the year that affected deliveries, particularly in the Landing Gear and Gas Turbine Components divisions. The strong Canadian dollar also continued to have an impact on results.

Mr. Labbé said 2004 was a year of continuing to right-size operations to fit current market realities, and to build for future growth in an environment of firming markets. "This meant continuing the cost reduction process begun in 2003. We finished centralizing our gas turbine operations in Cincinnati during the year and completed the consolidation of our two Montreal aerostructure plants into our modern Dorval facility. These moves have created centres of excellence for our gas turbine components and aerostructure operations, a key aspect of our long-term business strategy."

### **New contracts signed in fiscal 2004**

A tangible indication of a general upward trend was the \$358 million in contract renewals and new business the Company booked during the past year, increasing its share of the military landing gear and aerostructure markets and making inroads into new markets for gas turbine component products. The first sign of returning activity was the renewal of the repair and overhaul contract for the U.S. Air Force for ten years. The total value of the contract is \$140 million. Important design, development, manufacturing and supply contracts were also signed for new generation military aircraft with Boeing, Northrop Grumman and Lockheed Martin. These three contracts have put Héroux-Devtek in the running for lead supplier of components for these growth platforms and ensure long-term relationships with leaders in the aerospace industry.

### **Progressive Acquisition**

The most significant event of the year was the acquisition of Progressive Incorporated, clearly a milestone for Héroux-Devtek. Progressive is a major supplier of airframe components for military aircraft. It is an excellent fit with Héroux-Devtek as it creates a critical mass and customer diversification in the Aerostructure Division, provides new knowledge of complex manufacturing of structural military aircraft components that complements existing civilian aerostructure expertise and increases penetration of the US military market. Progressive is performing as anticipated and contributed \$12.7 million to first quarter sales.

## Looking ahead

Mr. Labbé said that while results have been affected by economic and industry factors, delivery issues and the higher Canadian dollar, the objective is a return to profitability this year. “We are beginning to see the light at the end of the tunnel. Markets that have been in a downturn for the past few years showed signs of bottoming out last year. The business jet market is already showing signs of growth. Figures released by the Air Transport Association, show that revenue passenger miles were up 9.2% this past July over last year, a clear sign that demand has returned to pre-9/11 levels. Boeing forecasts higher deliveries next year and Airbus is calling for an increasingly strong recovery in the world airliner market based on commitments received for aircraft at the Farnborough airshow in July. We expect to see the impact of such improvements in fiscal 2006, along with a turnaround in the power generation market.”

## 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. 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 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 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.