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250 jobs maintained and 60 new jobs created

**THE QUEBEC GOVERNMENT GRANTS HÉROUX-DEVTEK
\$10.6 MILLION IN FINANCIAL ASSISTANCE**

Longueuil, October 4, 2007 – Sam Hamad, the Minister of Employment and Social Solidarity, is pleased to announce financial assistance of \$10.6 million for Héroux-Devtek, on his own behalf and on behalf of the Raymond Bachand, the Minister of Economic Development, Innovation and Export Trade, Minister of Tourism and Minister Responsible for the Montreal Region.

This project, which represents a total investment of nearly \$40 million, will create 60 new jobs and maintain an additional 250 jobs. Granted by Investment Québec and Emploi-Québec, the government financial assistance will consist of an \$8.8 million interest-free loan and a \$1.8 million grant for a training program. The support for training is a contribution to a much larger program that will see an additional \$5.1 million invested by the company.

“The financial assistance grant from the Quebec government will allow Héroux-Devtek to introduce more modern equipment and technologies and train the workers who will use them, thus enabling the company to retain its position as a world leader for landing gear,” stated Minister Sam Hamad.

To consolidate its position in the global market, Héroux-Devtek will adopt new technologies, increase the capacity of its plating tanks to process larger parts, develop new plating tools and automate its processes. Héroux-Devtek has developed a five-module training program to allow workers to adapt their skills to these changes: automated plating skills, basic plating concepts, equipment maintenance, digital command machining and information technologies.

“We see heightened competition from emerging countries in Asia, South America and Eastern Europe. They have access to the same equipment as we do. We rely on our workers’ know - how to maintain our edge and remain a leader in our industry,” stressed Héroux-Devtek President and Chief Executive Officer Gilles Labbé.

This project falls into one of the niches of excellence identified under the ACCORD (*Action concertée de coopération régionale de développement*, or concerted action for regional development cooperation) program, namely high value-added manufacturing in aeronautics. This niche was defined because the industry plays a key role in the economy of the Monterégie region. The Quebec aerospace industry ranks sixth worldwide, accounting for annual revenues of over \$11 billion and more than 40,000 jobs. Nearly 70% of Canadian aerospace R&D is conducted in the province, and 60% of Canadian aerospace activity takes place in Quebec.

Minister Bachand was also delighted that the high-priority project was successful. “Héroux-Devtek is one of the pillars of the Quebec aerospace industry, and the third largest manufacturer of landing gear in the world. The government assistance will help maintain the world-class expertise and strength that Quebec has acquired in this industry,” he asserted.

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