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**PRESS RELEASE
FOR IMMEDIATE RELEASE**

HÉROUX-DEVTEK REPORTS THIRD QUARTER RESULTS

- Sales of \$76.7 million compared with \$85.6 million last year
- EBITDA margin of 15.2%, stable in comparison with a year ago
- Diluted EPS of \$0.12, versus \$0.16 last year
- Funded backlog of \$418 million

Longueuil, Québec, February 5, 2010 — Héroux-Devtek Inc. (TSX: HRX), a leading Canadian manufacturer of aerospace and industrial products, today reported results for the third quarter of fiscal 2010 ended December 31, 2009. Consolidated sales were \$76.7 million, versus \$85.6 million for the same period last year, the decline coming mainly, as explained below, from the Industrial segment and currency impact. Earnings before interest, taxes, depreciation and amortization (EBITDA) for the third quarter was \$11.7 million, or 15.2% of sales, compared with \$13.1 million, or 15.3% of sales, last year. Operating income stood at \$6.1 million, compared with \$7.8 million a year ago. The Company reported net income of \$3.5 million, or \$0.12 per share, fully diluted, compared with net income of \$5.2 million, or \$0.16 per share, fully diluted, a year ago. Cash flow from operations amounted to \$10.1 million this year, down from \$11.7 million last year.

For the first nine months of the current fiscal year, consolidated sales totalled \$235.4 million compared with \$245.5 million a year earlier. EBITDA amounted to \$36.2 million, or 15.4% of sales, compared with \$39.2 million, or 16.0% of sales, last year. Operating income was \$19.9 million, versus \$24.4 million last year. Net income reached \$11.6 million, or \$0.38 per share, fully diluted, compared with \$14.9 million, or \$0.47 per share, fully diluted, in the prior year. Cash flow from operations amounted to \$33.6 million this year, essentially stable in comparison with \$34.0 million last year.

Fluctuations in the value of the Canadian dollar versus the US currency decreased third quarter sales by \$3.4 million or 4.0%, compared with last year, and had a negative impact of 1.8% on gross profit expressed as a percentage of sales. These fluctuations increased sales by \$6.8 million in the first nine months of fiscal 2010, but reduced gross profit as a percentage of sales by 1.0%. The impact of currency movements on the Company's gross profit is mitigated by the use of forward foreign exchange sales contracts and the natural hedging from the purchase of materials made in US dollars.

Financial highlights (in thousands of dollars, except per share data)				
	Quarters ended December 31,		Nine months ended December 31,	
	2009	2008	2009	2008
Sales	76,659	85,578	235,389	245,489
Operating income	6,061	7,834	19,890	24,433
Net income	3,538	5,178	11,598	14,932
Per share - basic and diluted (\$)	0.12	0.16	0.38	0.47
Cash flows from operations	10,129	11,709	33,617	33,986
Weighted-average shares outstanding	30,552,388	31,639,589	30,714,152	31,647,603

"Driven by cost saving initiatives proactively implemented earlier this year and greater productivity from its business units particularly at landing gear, Héroux-Devtek has maintained a sound EBITDA margin despite reduced activity in markets affected by challenging global economic conditions, especially in the Industrial segment," said President and CEO Gilles Labbé. "This performance further confirms the Company's status as a reliable leading provider of high-quality, value-added services to its strategic markets. Our balance between commercial and military programs, as well as between new components and aftermarket services, provides multiple growth avenues and positions the Company at the forefront of business opportunities that will arise."

As at December 31, 2009, Héroux-Devtek's balance sheet remained healthy with cash and cash equivalents of \$30.2 million and long-term debt, including the current portion, of \$83.0 million. As a result, the net debt-to-equity ratio stood at 0.25:1 at the end of the third quarter, compared with 0.29:1 three months earlier. The net-debt-to-equity ratio is defined as the total long-term debt, including the current portion, less cash and cash equivalents over shareholders' equity.

During the third quarter, Héroux-Devtek renewed its normal course issuer bid program which allows the Company to acquire 1.5 million of its common shares between November 25, 2009 and November 24, 2010. Under this new program, the Company purchased 53,500 common shares at an average price of \$5.14 per share during the late stages of the quarter. The Company had previously concluded its previous program on November 23, 2009, under which it had acquired 1,202,200 shares out of an authorized amount of 1.5 million shares.

THIRD QUARTER HIGHLIGHTS

- The Aerospace segment renewed an important multi-year contract with Goodrich Corporation - Landing Gear Division to manufacture various landing gear components for a number of important large commercial aircraft programs. Under the terms of the agreement, Héroux-Devtek will fabricate and deliver major landing gear components to be used in the production of new aircraft and for aftermarket applications. The renewal extends the Company's current agreement with Goodrich to the end of calendar year 2012.
- Brazilian aircraft manufacturer Embraer awarded the Aerospace segment's landing gear products operations the Embraer Suppliers Award – ESC 2009 in the Development Program category. This award recognizes Héroux-Devtek's performance excellence in quality, flexibility, deliveries, customer support and development for its involvement in the Legacy 450 and 500 business jet programs. The Aerospace segment designs and develops the landing gear for these jets as part of a life-cycle contract obtained in July 2008. Héroux-Devtek was one of nine companies worldwide honoured in as many categories.

SEGMENT RESULTS

Aerospace sales for the third quarter declined 3.3% to \$72.6 million compared with \$75.0 million last year. Excluding the currency impact, as explained above, sales for this segment were slightly higher when compared with last year. Sales of landing gear products increased by 7.2% to \$48.2 million reflecting higher military sales and new business in the large commercial aircraft segment, partially offset by the deceleration of production schedules for business jet and commercial helicopter programs. Aerostructure product sales decreased 19.2% to \$24.0 million, as the ramp-up of the JSF program was more than offset by lower military aftermarket sales and business jet activity as well as by unfavourable currency fluctuations. Operating income was \$6.1 million, or 8.4% of sales, compared with \$6.3 million, or 8.4% of sales, in the third quarter of last year, as better throughput for landing gear products was offset by lower aerostructure product margins due to a less favourable sales mix.

For the first nine months of the current fiscal year, Aerospace sales amounted to \$218.7 million, up 0.7% over sales of \$217.2 million a year earlier. Operating income was \$18.4 million, or 8.4% of sales, compared with \$20.0 million, or 9.2% of sales, last year.

Industrial sales totalled \$4.1 million in the third quarter of fiscal 2010, down from \$10.5 million in the third quarter of fiscal 2009. This decline continues to reflect soft conditions in the power generation industry, including wind energy, and in the heavy equipment industry as a result of a weak economy. Due to lower sales, operating income was basically at breakeven, versus \$1.6 million, or 14.8% of sales, last year.

After the first nine months of fiscal 2010, Industrial sales reached \$16.7 million, versus \$28.3 million a year ago, while operating income amounted to \$1.5 million, or 9.0% of sales, versus \$4.5 million, or 15.8% of sales, a year ago.

OUTLOOK

Despite significantly lower new orders for large commercial aircraft in 2009, manufacturers have confirmed 2010 production schedules and have not announced further build rate reductions. Moreover, their backlogs remain healthy. Conditions remain difficult in the business jet market following order cancellations and deferrals, although some indicators are improving, such as better access to financing, reduced availability of used aircraft and stable utilization of certain fleet. The military aerospace market remains solid with the

ramp-up of the JSF program, although it has been announced that this ramp-up will occur at a slightly more moderate pace over the near term. While funding was increased for the US Department of Defense 2010 fiscal year budget and a further increase is being proposed for fiscal 2011, subsequent budget funding may be reduced. For the Industrial market, the power generation industry, while still impacted over the short-term by the economic situation, appears to have bottomed out and the wind energy market still holds considerable potential over the mid-term. Funded backlog was \$418 million as at December 31, 2009.

"With a healthy balance sheet, strong customer relationships and a proven track record for on-time delivery, Héroux-Devtek remains well positioned to gain further market share and emerge stronger from this uncertain economic situation, as customers are increasingly rationalizing their supplier base. We must continue to seek productivity gains to remain globally competitive in light of the Canadian dollar's ongoing strength. Given the currency situation and the prevailing Industrial market environment, we are anticipating slightly lower sales for the current fiscal year ending March 31, 2010 compared with the previous year," concluded Mr. Labbé.

CONFERENCE CALL

Héroux-Devtek Inc. will hold a conference call to discuss these results on Friday, February 5, 2010 at 10:00 A.M. Eastern Time. Interested parties can join the call by dialling (647) 427-7450 (Toronto 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 1-800-642-1687 and entering the passcode 50840254 on your phone. This tape recording will be available on Friday, February 5, 2010 as of 1:00 PM Eastern Time until 11:59 PM Eastern Time on Friday, February 12, 2010.

PROFILE

Héroux-Devtek (TSX: HRX), a Canadian company, serves two main market segments: Aerospace and Industrial Products, specializing in the design, development, manufacture and repair and overhaul of related systems and components. Héroux-Devtek supplies both the commercial and military sectors of the Aerospace segment with landing gear (including spare parts, repair and overhaul services) and airframe structural components. The Company also supplies the Industrial segment with large components for power generation equipment and precision components for other industrial applications. Approximately 65% of the Company's sales are outside Canada, mainly in the United States. The Company's head office is located in Longueuil, Québec with facilities in the Greater Montreal area (Longueuil, Dorval, Laval and Rivière-des-Prairies); Kitchener and Toronto, Ontario; Arlington, Texas and Cincinnati, Ohio.

Héroux-Devtek was recognized, in the July/August edition of The Globe & Mail's Report on Business magazine, as the fourth fastest growing company in Canada measured in terms of net earnings growth between 2003 and 2008.

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.

Non-GAAP Measures

Earnings before interest, taxes, depreciation and amortization ("EBITDA") and cash flows from operations are financial measures not prescribed by Canadian generally accepted accounting principles ("GAAP") and are not likely to be comparable to similar measures presented by other issuers. Management, as well as investors, considers these to be useful information to assist them in evaluating the company's profitability, liquidity and ability to generate funds to finance its operations.

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Note to readers: Complete unaudited interim consolidated financial statements and Management's Discussion & Analysis are available on Héroux-Devtek's website at www.herouxdevtek.com.

CONSOLIDATED BALANCE SHEETS

As at December 31, 2009 and March 31, 2009

(In thousands of Canadian dollars) (Unaudited)

	Notes	December 2009	March 2009
Assets	10		
Current assets			
Cash and cash equivalents		\$ 30,189	\$ 39,759
Accounts receivable		43,027	52,190
Income tax receivable		9,533	5,630
Other receivables	15	2,858	3,739
Inventories	5	94,249	95,647
Prepaid expenses		1,915	2,011
Future income taxes		5,996	11,172
Other current assets	6	5,139	-
		192,906	210,148
Property, plant and equipment, net	7	137,012	155,481
Finite-life intangible assets, net		11,484	11,190
Other assets	8	8,668	362
Goodwill		36,266	39,993
		\$ 386,336	\$ 417,174
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities		\$ 53,181	\$ 78,740
Accounts payable – other	9	4,595	18,559
Income tax payable		1,563	3,241
Future income taxes		4,648	3,568
Current portion of long-term debt	10	4,256	4,221
		68,243	108,329
Long-term debt	10	78,744	83,047
Other liabilities	11	11,518	20,817
Future income taxes		16,170	8,490
		174,675	220,683
Shareholders' equity			
Capital stock	12	100,691	102,822
Contributed surplus	12	1,499	1,375
Accumulated other comprehensive loss		(5,650)	(12,124)
Retained earnings		115,121	104,418
		211,661	196,491
		\$ 386,336	\$ 417,174

Commitments (Note 15)

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

CONSOLIDATED STATEMENTS OF INCOME

For the periods ended December 31, 2009 and 2008

(In thousands of Canadian dollars, except share and per share data) (Unaudited)

	Notes	Quarters ended December 31		Nine months ended December 31	
		2009	2008	2009	2008
Sales		\$ 76,659	\$ 85,578	\$ 235,389	\$ 245,489
Cost of sales, including amortization expense	5	64,776	72,041	198,433	204,530
Gross profit		11,883	13,537	36,956	40,959
Selling and administrative expenses	12	5,822	5,703	17,066	16,526
Operating income		6,061	7,834	19,890	24,433
Financial expenses, net	10	1,187	1,090	3,520	3,182
Income before income tax expense		4,874	6,744	16,370	21,251
Income tax expense		1,336	1,566	4,772	6,319
Net income		\$ 3,538	\$ 5,178	\$ 11,598	\$ 14,932
Earnings per share – basic		\$ 0.12	\$ 0.16	\$ 0.38	\$ 0.47
Earnings per share – diluted		\$ 0.12	\$ 0.16	\$ 0.38	\$ 0.47
Weighted-average number of shares outstanding during the periods		30,552,388	31,639,589	30,714,152	31,647,603

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

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the periods ended December 31, 2009 and 2008

(In thousands of Canadian dollars) (Unaudited)

For the quarter ended December 31, 2009

	Notes	Capital stock	Contributed surplus	Accumulated other comprehensive income (loss)	Retained earnings	Comprehensive income (loss)
Balance at September 30, 2009		\$100,856	\$1,382	\$(5,833)	\$111,724	\$ -
Common shares issued or repurchased:	12					
Under the stock purchase and ownership incentive plan		81	-	-	-	-
Under the Company's normal course issuer bids		(246)	-	-	(141)	-
Stock-based compensation expense	12	-	117	-	-	-
Net income		-	-	-	3,538	3,538
Net gains (losses) on derivative financial instruments designated as cash flow hedges, net of taxes of \$381		-	-	909	-	909
Net (gains) losses on derivative financial instruments designated as cash flow hedges in prior years transferred to net income in the current period, net of taxes of \$110		-	-	259	-	259
Cumulative translation adjustment		-	-	(985)	-	(985)
Balance at December 31, 2009		\$100,691	\$1,499	\$(5,650)	\$115,121	\$3,721

For the nine-month period ended December 31, 2009

	Notes	Capital Stock	Contributed surplus	Accumulated other comprehensive income (loss)	Retained earnings	Comprehensive income (loss)
Balance at March 31, 2009		\$102,822	\$1,375	\$(12,124)	\$104,418	\$ -
Common shares issued or repurchased:	12					
Under the stock purchase and ownership incentive plan		240	-	-	-	-
Under the Company's normal course issuer bids		(2,371)	-	-	(895)	-
Stock-based compensation expense	12	-	124	-	-	-
Net income		-	-	-	11,598	11,598
Net gains (losses) on derivative financial instruments designated as cash flow hedges, net of taxes of \$7,713		-	-	18,224	-	18,224
Net (gains) losses on derivative financial instruments designated as cash flow hedges in prior years transferred to net income in the current period, net of taxes of \$997		-	-	2,300	-	2,300
Cumulative translation adjustment		-	-	(14,050)	-	(14,050)
Balance at December 31, 2009		\$100,691	\$1,499	\$(5,650)	\$115,121	\$18,072

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the periods ended December 31, 2009 and 2008

(In thousands of Canadian dollars) (Unaudited)

For the quarter ended December 31, 2008

	Notes	Capital Stock	Contributed surplus	Accumulated other comprehensive income (loss)	Retained earnings	Comprehensive income (loss)
Balance at September 30, 2008		\$104,421	\$1,351	\$(12,230)	\$93,149	\$ -
Common shares issued:	12					
Under the stock purchase and ownership incentive plan		81	-	-	-	-
Repurchase of common shares		(640)	-	-	(77)	-
Stock-based compensation expense	12	-	111	-	-	-
Net income		-	-	-	5,178	5,178
Net gains (losses) on derivative financial instruments designated as cash flow hedges, net of taxes of \$5,484		-	-	(11,275)	-	(11,275)
Net (gains) losses on derivative financial instruments designated as cash flow hedges in prior years transferred to net income in the current period, net of taxes of \$455		-	-	1,004	-	1,004
Cumulative translation adjustment		-	-	8,901	-	8,901
Balance at December 31, 2008		\$103,862	\$1,462	\$(13,600)	\$98,250	\$3,808

For the nine-month period ended December 31, 2008

	Notes	Capital Stock	Contributed surplus	Accumulated other comprehensive income (loss)	Retained earnings	Comprehensive income (loss)
Balance at March 31, 2008, as previously reported		\$104,260	\$1,115	\$(9,932)	\$85,335	\$ -
Changes in accounting policy:						
Inventories		-	-	-	(1,940)	-
Balance at March 31, 2008, adjusted		104,260	1,115	(9,932)	83,395	-
Common shares issued:	12					
Under the stock purchase and ownership incentive plan		242	-	-	-	-
Repurchase of common shares		(640)	-	-	(77)	-
Stock-based compensation expense	12	-	347	-	-	-
Net income		-	-	-	14,932	14,932
Net gains (losses) on derivative financial instruments designated as cash flow hedges, net of taxes of \$6,295		-	-	(12,940)	-	(12,940)
Net (gains) losses on derivative financial instruments designated as cash flow hedges in prior years transferred to net income in the current period, net of taxes of \$907		-	-	(1,832)	-	(1,832)
Cumulative translation adjustment		-	-	11,104	-	11,104
Balance at December 31, 2008		\$103,862	\$1,462	\$(13,600)	\$98,250	\$ 11,264

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

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the periods ended December 31, 2009 and 2008
(In thousands of Canadian dollars) (Unaudited)

	Notes	Quarters ended December 31		Nine months ended December 31	
		2009	2008	2009	2008
Cash and cash equivalents provided by (used for):					
Operating activities					
Net income		\$ 3,538	\$ 5,178	\$ 11,598	\$ 14,932
Items not requiring an outlay of cash:					
Amortization		5,624	5,268	16,279	14,757
Future income taxes		506	824	4,573	2,993
(Gain) Loss on sale of property, plant and equipment		(2)	-	23	2
Amortization of deferred financing costs	10	42	42	126	126
Accretion expense on asset retirement obligations and non-interest bearing loans	10	304	286	894	829
Stock-based compensation expense	12	117	111	124	347
Cash flows from operations		10,129	11,709	33,617	33,986
Net change in non-cash working capital items related to operations	14	2,455	4,204	(22,625)	(1,369)
Cash flows related to operating activities		12,584	15,913	10,992	32,617
Investing activities					
Additions to property, plant and equipment	7	(2,034)	(10,414)	(7,234)	(20,430)
Net increase in finite-life intangible assets		(808)	(192)	(2,186)	(1,710)
Proceeds on disposal of property, plant and equipment		15	-	24	-
Cash flows related to investing activities		(2,827)	(10,606)	(9,396)	(22,140)
Financing activities					
Increase in long-term debt		856	-	6,519	2,106
Repayment of long-term debt		(5,645)	(5,389)	(8,644)	(7,542)
Repurchase of common shares	12	(387)	(717)	(3,266)	(717)
Issuance of common shares	12	81	81	240	242
Other		-	(89)	-	(274)
Cash flows related to financing activities		(5,095)	(6,114)	(5,151)	(6,185)
Effect of changes in exchange rates on cash and cash equivalents					
		(1,685)	2,414	(6,015)	2,962
Change in cash and cash equivalents during the periods		2,977	1,607	(9,570)	7,254
Cash and cash equivalents at beginning of periods		27,212	30,078	39,759	24,431
Cash and cash equivalents at end of periods		\$ 30,189	\$ 31,685	\$ 30,189	\$ 31,685
Supplemental information:					
Interest paid		\$ 622	\$ 816	\$ 2,200	\$ 1,944
Income taxes paid		\$ 155	\$ 227	\$ 4,199	\$ 2,479

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

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the periods ended December 31, 2009 and 2008

(All dollar amounts in thousands of Canadian dollars, except share data) (Unaudited)

Note 1. Interim Consolidated Financial Statements

The Interim consolidated financial statements include the accounts of Héroux-Devtek Inc. (the "Company") and its subsidiaries, all of which are wholly-owned.

The interim consolidated financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles applicable to interim consolidated financial statements and follow the same accounting policies and methods in their application as the most recent annual consolidated financial statements. In the opinion of Management, all adjustments necessary for a fair presentation are reflected in the interim consolidated financial statements. Such adjustments are of a normal and recurring nature. The results of operations for the interim periods are not necessarily indicative of the operating results for the full year. The interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's Annual Report for the fiscal year ended March 31, 2009.

Note 2. Changes in Accounting policies

Adopted as at April 1, 2009

Goodwill and intangible assets

In February 2008, the Accounting Standard Board ("AcSB") issued Section 3064, *Goodwill and Intangible Assets*, which replaces Section 3062, *Goodwill and Other Intangible Assets* and which resulted in the withdrawal of Section 3450, *Research and Development Costs* and of Emerging Issues Committee ("EIC") Abstract 27, *Revenues and Expenditures during the pre-operating period*, and which also resulted in the amendment of Accounting Guideline ("AcG") 11, *Enterprises in the Development Stage*. This Section establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets. The provisions relating to the definition and initial recognition of intangible assets, including internally generated intangible assets, are aligned with IFRS IAS 38, *Intangible Assets*.

The Company adopted this change in accounting policies as at April 1, 2009 with no effect on the Company's consolidated financial statements.

Future changes in accounting policies

International Financial Reporting Standards ("IFRS")

In February 2008, the AcSB confirmed that Canadian GAAP for publicly accountable enterprises will be converged with IFRS effective in calendar year 2011, with early adoption allowed starting in calendar year 2009. The conversion to IFRS will be required for the Company for interim and annual financial statements beginning on April 1, 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 conversion, the AcSB will continue to issue accounting standards that are converged with IFRS such as IAS 2 *Inventories* and IAS 38, *Intangible Assets*, thus mitigating the impact of adopting IFRS at the mandatory transition date.

Business combinations, consolidated financial statements and non-controlling interests

In January 2009, the AcSB released Section 1582, *Business Combinations*, which resulted in the withdrawal of Section 1581, *Business Combinations*. It provides the Canadian equivalent to IFRS 3, *Business Combinations*. For the Company, this Section applies prospectively to business combinations for which the acquisition is subsequent to fiscal 2011. Earlier application is permitted. Section 1582 must be applied together with Section 1601 and Section 1602 if it is implemented for a fiscal year beginning before April 1, 2011.

In January 2009, the AcSB also released Section 1601, *Consolidated Financial Statements* and Section 1602, *Non-Controlling Interest*, which resulted in the withdrawal of Section 1600, *Consolidated Financial Statements*. Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in the consolidated financial statements of the parent, subsequent to a business combination. Section 1602 is equivalent to the corresponding provisions of IAS 27, *Consolidated and Separate Financial Statements*.

For the Company, these sections apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after April 1, 2011. Earlier adoption is permitted as of the beginning of a fiscal year. These sections must be applied together with Section 1582, *Business Combinations* if they are implemented for a fiscal year beginning before April 1, 2011.

The Company is evaluating the effect of these new standards on its consolidated financial statements.

Note 3. Financial instruments

The classification of financial instruments between held-for-trading ("HFT"), loans and receivables ("L&R"), other than HFT and hedging items and their carrying amounts and fair values were as follows as at:

	December 31, 2009					March 31, 2009				
	Carrying value				Fair Value	Carrying value				Fair Value
	HFT	L&R	Hedging items	Total (1)		HFT	L&R	Hedging items	Total (1)	
Financial assets										
Cash and cash equivalents	\$30,189	\$ -	\$ -	\$30,189	\$30,189	\$39,759	\$ -	\$ -	\$39,759	\$39,759
Accounts receivable ⁽²⁾	-	43,027	-	43,027	43,027	-	52,190	-	52,190	52,190
Other receivables ⁽³⁾	-	479	-	479	479	-	832	-	832	832
Other current assets ⁽⁴⁾	-	-	5,139	5,139	5,139	-	-	-	-	-
Other assets ⁽⁶⁾	-	-	8,668	8,668	8,668	-	-	362	362	362
	\$30,189	\$43,506	\$13,807	\$87,502	\$87,502	\$39,759	\$53,022	\$ 362	\$93,143	\$93,143

	December 31, 2009					March 31, 2009				
	Carrying value				Fair Value	Carrying value				Fair Value
	HFT	Other than HFT	Hedging items	Total (1)		HFT	Other Than HFT	Hedging items	Total (1)	
Financial liabilities										
Accounts payable and accrued liabilities ⁽⁵⁾	\$ -	\$35,085	\$ -	\$35,085	\$35,085	\$ -	\$53,557	\$ -	\$53,557	\$53,557
Accounts payable - other ⁽⁴⁾	-	-	1,079	1,079	1,079	-	9,917	8,642	18,559	18,559
Long-term debt, including current portion	-	83,392	-	83,392	87,221	-	87,786	-	87,786	90,076
Long-term liabilities - Other liabilities ⁽⁶⁾	-	-	1,646	1,646	1,646	-	-	10,444	10,444	10,444
	\$ -	\$118,477	\$2,725	\$121,202	\$125,031	\$ -	\$151,260	\$19,086	\$170,346	\$172,636

(1) Represents only the carrying values of financial assets and liabilities included in the corresponding balance sheet caption.

(2) Comprising trade receivables.

(3) Comprising certain other receivables.

(4) Includes the fair value of short-term derivative financial instruments.

(5) Comprising trade accounts payable and accrued liabilities, including interest and certain payroll-related liabilities.

(6) Includes the fair value of long-term derivative financial instruments.

At December 31, 2009, the Company had entered into forward foreign exchange sales contracts to sell US \$151,050 at a weighted-average exchange rate of 1.1459 (US\$162,750 at a weighted-average exchange rate of 1.1396 as at March 31, 2009 and US \$156,500 at a weighted-average exchange rate of 1.1112 as at December 31, 2008) for the purpose of foreign exchange risk management, essentially related to its export sales. These contracts mature at various dates between January 2010 and March 2014, with the majority maturing in the next two fiscal years.

At December 31, 2009, the Company had also entered into forward foreign exchange sales contracts totalling US \$11,300 at a weighted-average exchange rate of 1.2397 (US\$11,300 at a weighted-average exchange rate of 1.2397 as at March 31, 2009 and none as at December 31, 2008) 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.

Note 4. Government assistance

Government assistance, including investment tax credits and the discounted portion of the non-interest bearing loan, is recorded as a reduction of the related capital expenditure, development cost, inventory or expense when there is reasonable assurance that the assistance will be received.

During the three- and nine-month periods ended December 31, 2009, the Company recorded as a reduction of cost of sales an amount of \$1,704 and \$4,327, and as a reduction of the related capital expenditures or development costs an amount of \$1,137 and \$1,981 for government assistance.

During the three- and nine-month periods ended December 31, 2008, the Company recorded as a reduction of cost of sales an amount of \$682 and \$2,026, and as a reduction of the related capital expenditures or development costs an amount of \$nil and \$459 for government assistance.

Note 5. Inventories

Inventories consist of:

	December 31, 2009	March 31, 2009
Raw materials	\$49,578	\$ 51,586
Work in progress and finished goods	76,189	78,273
Less: Progress billings	31,518	34,212
	\$94,249	\$ 95,647

The amount of inventories recognized as cost of sales for the three- and nine-month periods ended December 31 is detailed as follows:

	Quarters ended December 31		Nine months ended December 31	
	2009	2008	2009	2008
Aerospace segment	\$55,104	\$53,715	\$164,524	\$163,564
Industrial segment	4,238	7,708	12,331	20,734
	\$59,342	\$61,423	\$176,855	\$184,298

The change in write-downs related to inventories for the three- and nine-month periods ended December 31 is detailed as follows:

	Quarters ended December 31		Nine months ended December 31	
	2009	2008	2009	2008
Write-downs recognized as cost of sales	\$2,025	\$2,124	\$4,631	\$5,450
Reversal of write-downs recognized as a reduction of cost of sales	\$ 526	\$ 345	\$2,601	\$2,320

The reversal of write-downs is determined following the revaluation, each quarter end, of the net realizable value of inventories based on the related sales contracts and production costs. It also includes the charges against the reserve for products delivered during the year for which a net realizable value reserve was required and recorded in prior periods.

Note 6. Other Current Assets

The Company's other current assets are summarized as follows:

	December 31, 2009	March 31, 2009
Derivative financial instruments – forward foreign exchange contracts	\$5,139	\$ -

Note 7. Property, plant and equipment

During the three- and nine-month periods ended December 31, 2009, the additions to property, plant and equipment of \$2,034 and \$7,234 presented in the consolidated statements of cash flows include machinery and equipment which were received and accounted for in the last quarter of fiscal 2009, but paid in this fiscal year. They are also presented net of \$nil and \$7,630 (nil in last year's three- and nine-month periods) of machinery and equipment which were acquired through capital leases for the third quarter and the nine-month period ended December 31, 2009.

Note 8. Other assets

The Company's other assets are summarized as follows:

	December 31, 2009	March 31, 2009
Derivative financial instruments – forward foreign exchange contracts	\$8,668	\$ 362

Note 9. Accounts payable – other

The Company's accounts payable – other are summarized as follows:

	December 31, 2009	March 31, 2009
Derivative financial instruments – forward foreign exchange contracts	\$1,079	\$ 8,642
Accounts payable related to machinery and equipment acquired	-	9,917
Customers advances	3,516	-
	\$4,595	\$18,559

Note 10. Long-term debt

	December 31, 2009	March 31, 2009
Senior Secured Syndicated Revolving Credit Facilities ("Credit Facilities") of up to \$125,000, either in Canadian or U.S. currency equivalent, maturing on October 4, 2011, which bear interest at bankers' acceptance plus 1.0% for the Canadian Credit Facilities at December 31, 2009 (representing an effective interest rate of 1.4%; 1.7% as at March 31, 2009) and at Libor plus 1.0% at December 31, 2009 for the U.S. Credit Facilities (representing an effective interest rate of 1.2%; 1.5% as at March 31, 2009), secured by all assets of the Company and its subsidiaries. At December 31, 2009, the Company used \$nil (nil at March 31, 2009) and US \$43,000 (US \$43,000 at March 31, 2009) on the Credit Facilities.	\$45,193	\$ 54,235
Non-interest bearing loans, repayable in variable quarterly instalments, with various expiry dates until 2025.	20,627	19,042
Obligations under capital leases bearing interest between 4.2% and 9.3% maturing from September 2010 to May 2016, with amortization periods ranging from five to eight years, secured by the related property, plant and equipment, net of interest of \$2,689 (\$2,355 at March 31, 2009).	17,572	14,509
Deferred financing costs, net	(392)	(518)
	83,000	87,268
Less: current portion	4,256	4,221
	\$78,744	\$ 83,047

Financial expenses, for the three- and nine-month periods ended December 31, comprise the following:

	Quarters ended December 31		Nine months ended December 31	
	2009	2008	2009	2008
Interest	\$ 750	\$ 860	\$ 2,374	\$ 2,510
Interest accretion on non-interest bearing loans	247	233	723	671
Amortization of deferred financing costs	42	42	126	126
Standby fees	97	49	141	166
Accretion expense on asset retirement obligations	57	53	171	158
Gain on financial instruments classified as HFT - Interest income	(6)	(147)	(15)	(449)
Financial expenses, net	\$ 1,187	\$ 1,090	\$ 3,520	\$ 3,182

Note 11. Other liabilities

The Company's other liabilities are summarized as follows:

	December 31, 2009	March 31, 2009
Pension plan and other post-retirement benefits	\$4,308	\$ 5,288
Derivative financial instruments – interest rate swaps	1,240	2,030
Derivative financial instruments – forward foreign exchange contracts	406	8,414
Asset retirement obligations	5,352	4,835
Other	212	250
	\$11,518	\$20,817

Note 12. Capital stock

The issued and outstanding capital stock of the Company consists of the following:

	December 31, 2009	March 31, 2009
30,507,319 common shares at December 31, 2009 (31,171,688 at March 31, 2009)	\$100,691	\$102,822

Issuance of common shares

During the three- and nine-month periods ended December 31, 2009, the Company issued 17,010 and 57,331 common shares, at weighted-average prices of \$4.76 and \$4.16, respectively, for a total cash consideration of \$81 and \$240. These shares were all issued under the Company's stock purchase and ownership plan.

During the three- and nine-month periods ended December 31, 2008, the Company issued 20,117 and 43,634 common shares, at weighted average-prices of \$4.05 and \$5.54, respectively, for a total cash consideration of \$81 and \$242. These shares were all issued under the Company's stock purchase and ownership plan.

Normal course issuer bids

On November 24, 2008, the Company launched a normal course issuer bid ("NCIB") under which the Company could repurchase up to 1,500,000 of its common shares, representing approximately 5% of the issued and outstanding common shares. The NCIB expired on November 23, 2009.

On November 25, 2009, the Company launched a new normal course issuer bid under which the Company may repurchase up to 1,500,000 of its common shares, representing approximately 5% of the issued and outstanding shares. The NCIB terminates on November 24, 2010, or on such earlier date as the Company may complete its repurchases.

During the quarter ended December 31, 2009, the Company repurchased 75,300 shares at an average price of \$5.12, for a total cash consideration of \$385 under the normal course issuer bids. The excess (\$141) of the cost of the common shares over their average book value (\$246) was accounted for as a reduction of the Company's retained earnings.

During the nine-month period ended December 31, 2009, the Company repurchased 721,700 shares at an average price of \$4.52, for a total cash consideration of \$3,264 under the normal course issuer bids. The excess (\$895) of the cost of the common shares over their average book value (\$2,371) was accounted for as a reduction of the Company's retained earnings.

During the three- and nine-month periods ended December 31, 2008, the Company repurchased 193,800 shares at an average price of \$3.70 for a total cash consideration of \$717. The excess (\$77) of the cost of the common shares over their book value (\$640) was accounted for as a reduction of the Company's retained earnings.

For the NCIB ended November 23, 2009, the Company repurchased a total of 1,202,200 common shares at an average price of \$4.23. For the new NCIB started on November 25, 2009, the Company repurchased a total of 53,500 common shares at an average price of \$5.14.

Stock option plan

The Company has a stock option plan where options to purchase common shares are issued to officers and key employees. The Company expenses all granting of stock options based on their earned period, using the Binomial valuation model to determine their fair value. The expense related to stock options in the quarter ended December 31, 2009 amounting to \$117 (\$111 for the same quarter last year) and to \$124 for the nine-month period ended December 31, 2009 (\$347 for the same period last year) is recorded as compensation expense and is included in the selling and administrative expenses, with a corresponding amount to the contributed surplus in the Company's Shareholders' equity.

During the three- and nine-month periods ended December 31, 2009, nil and 246,000 stock options were granted (all in the second quarter of the current fiscal year) at a granted value of \$4.56 and 75,000 stock options were cancelled.

During the three- and nine-month periods ended December 31, 2008, 175,000 stock options were granted (in the third quarter of fiscal 2009) at an average price of \$4.58 and 65,000 options were cancelled (all in the first quarter of fiscal 2009).

At December 31, 2009, the Company had 1,555,221 outstanding stock options at a weighted-average exercise price of \$5.83 which will expire over the next six years (between February 2010 and August 2016).

Stock purchase and ownership incentive plan

On September 2, 2004, the Board of Directors of the Company approved a stock purchase and ownership incentive plan to induce management employees to hold, on a long-term basis, common shares of the Company.

During the three- and nine-month periods ended December 31, 2009, 17,010 and 57,331 common shares were issued (231,170 since the beginning of the plan) and 7,317 and 24,539 common shares attributed to the participating employees, respectively (99,164 since the beginning of the plan). The expense related to the attributed common shares amounting to \$81 and \$240, respectively, is recorded as compensation expense and is included in the Company's selling and administrative expenses.

During the three- and nine-month periods ended December 31, 2008, 20,117 and 43,634 common shares were issued and, 8,391 and 18,116 common shares attributed to the participating employees respectively. For the three- and nine-month periods ended December 31, 2008, the expense related to the attributed common shares amounting to \$38 and \$113, respectively, is recorded as compensation expense and is included in the Company's selling and administrative expenses.

Stock appreciation rights plan

The Company has a stock appreciation rights ("SAR") plan under which rights are issued to its non-employee directors. The SAR enables the participants to receive by way of bonuses, on the exercise date of a SAR, a cash amount equal to the excess of the market price of the Company's common share over the granted price of the SAR.

During the three- and nine-month periods ended December 31, 2009, nil and 35,000 SARs were granted (all in the second quarter of the current fiscal year) at a granted value of \$4.56 (35,000 SARs at a granted value of \$7.29 and all in the second quarter last year). The SARs are expensed on an earned basis and their costs are determined based on the Company's common shares quoted market value over their granted price. During the three- and nine-month periods ended December 31, 2009, no expense was recorded for SARs.

During the three- and nine-month periods ended December 31, 2009, no SARs were exercised (none for the same periods last year) and 7,500 SARs were cancelled (7,500 SARs for the same period last year).

At December 31, 2009, on a cumulative basis, 150,500 SARs were still outstanding at a weighted-average granted value of \$6.14 (123,000 SARs at a weighted-average granted value of \$6.59 as at December 31, 2008) which expire on various dates from fiscal 2010 to 2015.

Note 13. Pension and other retirement benefit plans

Description of benefit plans

The total pension costs for the three- and nine-month periods ended December 31 are as follows:

	Quarters ended December 31		Nine months ended December 31	
	2009	2008	2009	2008
Defined benefit pension costs	\$ 293	\$ 255	\$ 916	\$ 893
Defined contribution pension costs	485	488	1,511	1,394
	\$ 778	\$ 743	\$ 2,427	\$ 2,287

Note 14. Net change in non-cash working capital items related to operations

The net change in non-cash working capital items related to operations for the three- and nine-month periods ended December 31 are detailed as follows:

	Quarters ended December 31		Nine months ended December 31	
	2009	2008	2009	2008
Accounts receivable	\$ (53)	\$ (6,971)	\$ 9,163	\$ (5,933)
Income tax receivable	(1,245)	(293)	(3,903)	(1,060)
Other receivables	2,121	87	881	1,764
Inventories	2,691	458	1,398	(8,351)
Prepaid expenses	(374)	(935)	96	(720)
Other current assets	8	2,933	-	4,081
Accounts payable and accrued liabilities and, other liabilities	(4,566)	24,182	(24,080)	22,308
Accounts payable – other	3,516	-	885	-
Income tax payable	1,432	(1,291)	(1,678)	(360)
Effect of changes in exchange rate ⁽¹⁾	(1,075)	(13,966)	(5,387)	(13,098)
	\$ 2,455	\$ 4,204	\$ (22,625)	\$ (1,369)

⁽¹⁾ Reflects the total impact of changes in exchange rate during the related period on non-cash working capital items listed above for the Company's U.S. self-sustaining operations.

Note 15. Commitments

The Company has released purchase orders relating to machinery and equipment which have not been delivered yet to the Company's facilities. These outstanding purchase orders at December 31, 2009, amounted to \$4,113 (\$4,709 – March 31, 2009) for which \$871 (\$1,115 – March 31, 2009) of deposits on machinery and equipment were made and included in the Company's other receivables.

Note 16. Segmented information

Quarters ended December 31

Activity segments

	2009			2008		
	Aerospace	Industrial	Total	Aerospace	Industrial	Total
Sales	\$ 72,607	\$ 4,052	\$ 76,659	\$ 75,047	\$ 10,531	\$ 85,578
Operating income (loss)	6,101	(40)	6,061	6,275	1,559	7,834
Financial expenses, net			1,187			1,090
Income before income tax expense			4,874			6,744
Assets	362,512	23,824	386,336	356,897	33,049	389,946
Goodwill	35,308	958	36,266	38,132	1,091	39,223
Additions to property, plant and equipment	1,955	79	2,034	10,052	362	10,414
Net increase in finite-life intangible assets	808	-	808	192	-	192
Amortization expense	5,060	564	5,624	4,436	832	5,268

Geographic segments

	2009			2008		
	Canada	U.S.	Total	Canada	U.S.	Total
Sales	\$ 58,607	\$ 18,052	\$ 76,659	\$ 55,502	\$ 30,076	\$ 85,578
Property plant and equipment, net	88,668	48,344	137,012	80,832	60,987	141,819
Finite-life intangible assets, net	7,299	4,185	11,484	3,188	5,498	8,686
Goodwill	17,534	18,732	36,266	17,534	21,689	39,223
Export sales ⁽¹⁾	\$ 34,462			\$ 28,666		

62% of the Company's sales (67% in 2008) were to U.S. customers.

(1) Export sales are attributed to countries based on the location of the customers.

Nine months ended December 31

Activity segments

	2009			2008		
	Aerospace	Industrial	Total	Aerospace	Industrial	Total
Sales	\$ 218,707	\$ 16,682	\$ 235,389	\$ 217,167	\$ 28,322	\$ 245,489
Operating income	18,394	1,496	19,890	19,970	4,463	24,433
Financial expenses, net			3,520			3,182
Income before income tax expense			16,370			21,251
Assets	362,512	23,824	386,336	356,897	33,049	389,946
Goodwill	35,308	958	36,266	38,132	1,091	39,223
Additions to property, plant and equipment	6,092	1,142	7,234	17,621	2,809	20,430
Net increase in finite-life intangible assets	2,186	-	2,186	1,710	-	1,710
Amortization expense	14,391	1,888	16,279	12,617	2,140	14,757

Geographic segments

	2009			2008		
	Canada	U.S.	Total	Canada	U.S.	Total
Sales	\$ 169,020	\$ 66,369	\$ 235,389	\$ 164,363	\$ 81,126	\$ 245,489
Property plant and equipment, net	88,668	48,344	137,012	80,832	60,987	141,819
Finite-life intangible assets, net	7,299	4,185	11,484	3,188	5,498	8,686
Goodwill	17,534	18,732	36,266	17,534	21,689	39,223
Export sales ⁽¹⁾	\$ 98,718			\$ 82,336		

67% of the Company's sales (66% in 2008) were to U.S. customers.

(1) Export sales are attributed to countries based on the location of the customers.

Note 17. Reclassification

Comparative figures for the consolidated financial statements as at December 31, 2008 and March 31, 2009 have been reclassified to conform to the December 31, 2009 presentation.